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Japan

Economists Term Summit Communique Bland

OW0807123992 Tokyo KYODO in English 1210 GMT 8 Jul 92

[By Waka Hamada]

[Text] Tokyo, July 8 KYODO—Leaders of the Group of Seven (G-7) nations have diagnosed the global economy as sick but have failed to administer an effective remedy, economists said Wednesday.

The just-announced G-7 economic declaration has failed to impress economic pundits here, who see it lacking sufficient substance to achieve its stated aim of "stronger sustainable growth."

"I see nothing new here in this declaration," said Yukio Yanbe, chief economist of Dai-Ichi Kangyo Bank.

"It is true that the statement places greater weight on the growth side of the global economy, but this is only natural in light of the current economic situation worldwide," he said.

"I had expected the declaration to be more substantial," he added.

Fujio Tatsuuma, chief economist with Mitsubishi Bank, concurred, saying, "the G-7 countries agreed on where the global economy should be guided to, but they failed to clearly state how to do it."

The G-7 nations, in the economic declaration that closed their three-day summit in Munich, said they "pledged to adopt policies aimed at creating jobs and growth," a departure from previous communiques which have put equal weight on boosting economic growth and controlling inflationary pressure.

While the somewhat bland declaration disappointed many economists, some hailed its emphasis on "jobs and growth."

Masaru Takagi, chief economist of Fuji Research Institute, said, "I think the declaration provides nothing fresh, but still, it should be appreciated for stating that jobs and growth are what the global economy needs most at present."

Many analysts reckoned that the G-7 accord on "creating the scope for lower interest rates" will increase pressure on the Bank of Japan (BOJ) to trim the official discount rate further.

"The expression sounds rather strong. I think the BOJ will face increasing pressure for further easing of credit," said Nobuyuki Saji, senior economist at Nikko Research Center.

But he ruled out an immediate rate cut, as the central bank, hoping to make the next reduction the last for the time being, wants to make it most effective.

"I guess the timing will be after the middle of September, when the government is expected to reveal its additional program for stimulating the economy," he said.

Fuji Research Institute's Takagi agreed, projecting a rate cut by the end of September.

The central bank last pruned the benchmark rate, which it charges on loans to commercial banks, by 0.75 percentage point to 3.75 percent on April 1.

Many economists also noticed the absence of any comments on the foreign exchange market in the declaration.

"The lack of comment shows that the G-7 is happy with the current levels of exchange rates, as the yen is steadily rising against the dollar," Takagi said.

The yen has been on an upward march in recent sessions against the U.S. currency, as the market had expected the other G-7 nations want to see a strong yen to slim their trade deficits with Japan.

Yanbe of Dai-Ichi Kangyo Bank said that since the G-7 statement failed to explicitly support a higher yen, the Japanese unit may come under temporary selling pressure in sessions to come.

Miyazawa Returns From G-7 Meeting 10 Jul

OW1007005292 Tokyo KYODO in English 0032 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Prime Minister Kiichi Miyazawa returned to Tokyo on Friday morning aboard a special Japan Airlines plane from the Munich Summit of the Group of Seven (G-7) major industrialized nations.

During his 11-day trip abroad including the three-day Munich Summit, Miyazawa met U.S. President George Bush in Washington in an effort to coordinate summit strategies.

Miyazawa then flew to London, where he conferred with Jacques Delors, president of the European Community Commission, British Prime Minister John Major, and Canadian Prime Minister Brian Mulroney.

Hata Says Yen's Strengthening Supported by G-7

OW1007043392 Tokyo KYODO in English 0404 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Finance Minister Tsutomu Hata said Friday that the yen's recent strengthening was supported by the Group of Seven (G-7) major industrial countries at their summit meeting in Munich this week.

He also told a news conference after a cabinet meeting that the government is committed to taking all possible measures in case the economy fails to revive despite the fiscal and monetary stimulus already applied.

He stressed that monetary policy must be "flexible," and denied a report quoting him as saying in Munich that Japan's official discount rate should not be further reduced this year.

Hata, who returned earlier in the day from the annual summit, said G-7 officials were favorable to the recent upswing of the yen during their private talks in Munich, although some of them made contradictory remarks to reporters afterward.

He also said while the government is still watching the effects of the fiscal and monetary measures it has already taken, it is willing to take all steps possible to help the economy get back on an upward cycle.

He said the recent cut by the U.S. Federal Reserve Board in its official discount rate will not have any direct effect on Japanese monetary policy. He added, however, that the government should remain flexible on all policy fronts.

Hata also said Japan did not face any harsh criticism from its major trading partners at the summit over its growing trade surplus.

Japan nevertheless pledged to continue efforts to achieve domestic demand-led growth as a means to reduce the surplus, he said.

Spokesman Voices Concern Over U.S. Trade Act

OW1007091192 Tokyo KYODO in English 0820 GMT 9 Jul 92

[Text] Tokyo, July 10 KYODO—Japan is concerned over "protectionist" trade legislation in the U.S. Congress it feels would undermine the multilateral free trade system if enacted, a Foreign Ministry spokesman said Friday.

"We view with concern the trade expansion act passed by the U.S. House of Representatives," Sadaaki Numata told foreign correspondents, referring to legislation the chamber approved overwhelmingly Wednesday.

"We feel the bill contains a number of protectionist clauses," Numata said.

He said some provisions are "problematical" for the bilateral economic relationship and from the viewpoint of the rules of multilateral trade laid down in the General Agreement on Tariffs and Trade (GATT).

The trade bill, the toughest relating to Japan on the Congressional agenda this year, calls in part for the present cap on U.S. imports of Japanese cars to be maintained at its current level of 1.65 million vehicles a year.

The bill also calls for extending the so-called "Super 301" authority which forces the administration to investigate if other nations are using unfair trade practices.

Super 301 also gives the administration power to punish parties if they fail after negotiations to remove perceived trade barriers.

"We feel the bill runs contrary to the objective of maintaining and strengthening the multilateral free trade system, to which both the Japanese and U.S. Governments are committed," Numata said. "We therefore strongly hope that the bill would not become law."

Japanese trade analysts say it is highly likely the bill would be vetoed by U.S. President George Bush.

Working-Level Talks With Russia Previewed

OW1007055392 Tokyo KYODO in English 0533 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Japan and Russia will hold working-level talks in Tokyo next week to discuss their territorial dispute and prepare for a bilateral peace treaty, just a few days after major industrial nations urged Russia to settle the issue at an early date.

The Group of Seven (G-7) nations, in their summit meeting in Munich, Germany, singled out Japan's territorial rift with Russia as a matter of shared concern by seeking the dispute's resolution in a political declaration issued Tuesday.

"We welcome Russia's commitment to a foreign policy based on the principle of law and justice," the statement said. "We believe that this represents a basis for full normalization of the Russian-Japanese relationship through resolving the territorial issue."

Japanese Foreign Ministry officials said the delegations at the second meeting of the Japan-Russia peace treaty working group next Wednesday and Thursday will be led by Deputy Foreign Minister Kunihiko Saito for Japan and Vice Foreign Minister Georgiy Kunadze for Russia.

Aides accompanying Prime Minister Kiichi Miyazawa in Munich hailed the inclusion of the territorial issue in the G-7 political declaration as an epoch-making event, but the Tokyo meeting is likely to be tough because of Russia's domestic political situation, according to many observers.

Japan demands the return of the small islands off Hokkaido—Kunashiri, Etorofu, Shikotan, and the Habomai islet group—seized by Soviet troops at the end of World War II, and refuses to provide large-scale financial aid to Russia or conclude a peace treaty until the matter is settled.

But observers believe the Munich Summit may have smoothed the way for Japan to consider extending large-scale aid to Russia, pending a Russian compromise toward the reversion of the islands, which are referred to in Japan as the "northern territories."

The Japanese and Russian foreign ministers are expected to visit each other's country in August following the upcoming Tokyo meeting and before Russian President Boris Yeltsin visits Japan in mid-September.

At stake is whether Yeltsin can put forward an acceptable proposal to Japan to clear what is the biggest obstacle in the way of full-scale Japanese aid, which Russia urgently needs.

Also on the diplomatic front, Japan and the United States will hold working-level talks in Tokyo next Monday and Tuesday in their ongoing Structural Impediments Initiative (SII) negotiations aimed at reducing barriers to bilateral trade and investment.

The Japanese side will stress the need for the United States to reduce its federal budget deficit, strengthen the competitiveness of its industries, improve the quality of its work force, and promote exports more vigorously, Foreign Ministry officials said.

On the other hand, the U.S. representatives are expected to address such areas in Japan as exclusionary business practices, distribution systems, land prices, government and company procurement of goods, and enforcement of antitrust laws, they said.

The officials said Japan may use the talks to express concern about recent protectionist trends in the U.S. Congress, including Wednesday's passage in the U.S. House of Representatives of a trade expansion bill aimed at opening Japanese and other markets to more U.S. imports.

On the political front, Foreign Minister Michio Watanabe, who has been hospitalized since late May, will resume his official duties next Monday, though in a limited fashion, his top aide said.

He will commute to the Foreign Ministry from a Tokyo hospital for the time being, until his doctors declare him fit to return home, said Ihei Ochi, secretary general of Watanabe's faction in the ruling Liberal Democratic Party.

Watanabe, who also acts as deputy prime minister, will be excused from campaigning on behalf of fellow party members running in the House of Councillors elections scheduled for July 26. Full-fledged campaigning started across the nation Wednesday for half of the 252 upper house seats, elections for which are held every three years.

Also, Watanabe will not travel abroad for the time being, Ochi said. But he is scheduled to visit Russia in late August to lay the final groundwork for Yeltsin's visit to Japan in a bid to settle the territorial dispute.

On the business front, Japanese and U.S. business leaders will discuss trade and environmental issues at a three-day annual meeting in Tokyo from Sunday through Tuesday.

About 240 business executives from the two countries are expected to exchange views on ways to reduce Japan's yawning trade surplus with the U.S. and their roles in protecting the environment.

John Marous, chairman of the U.S.-Japan Business Council and former chairman of Westinghouse Electric Corp., will head the U.S. delegation. The Japanese group will be led by Eishiro Saito, chairman of the Japan-U.S. Business Council and honorary chairman of Nippon Steel Corp.

Although bilateral trade tensions have eased slightly since U.S. President George Bush's visit to Japan in January, the U.S. remains dissatisfied with the mounting trade gap, business sources said.

They said the U.S. business leaders are expected to urge their Japanese counterparts to step up domestic demand and imports and remove obstacles to greater U.S. access to Japan's service industries such as insurance and banking.

Tokyo 'Unlikely' To Join CSCE Peacekeeping

OW1007114092 Tokyo KYODO in English 1112 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Japan is unlikely to participate in peacekeeping operations organized by the Conference on Security and Cooperation in Europe (CSCE), top government spokesman Koichi Kato said Friday.

But he did not categorically rule out the possibility of Japan providing financial or rear-guard support to such operations.

As an associate member of the CSCE, Japan has no decision-making power and no obligation to the 52-nation body, chief cabinet secretary Kato said.

As such, Japan's participation "probably will not be requested," he said.

Kato asserted, however, that Japan's "peace" Constitution permits financial and rear support contributions such as medical assistance to multinational forces, as well as financial support for another country's military operations.

His comments appeared to contradict a recent statement by Prime Minister Kiichi Miyazawa, who said Japan could not send rear-guard support personnel to multinational forces, like those used against Iraq in the Persian Gulf war, because the purpose of the operation would be to wage war.

Japan's post-war Constitution bans the use of force to resolve international disputes but interpretation of the Constitution is subject to debate.

Kato's remarks come as participants in a two-day CSCE summit meeting moved to dispatch their first peacekeeping mission to a former Soviet state of Azerbaijan and discussed a more active role in countering armed hostilities.

Members at the meeting also agreed to make Japan an associate member, entitling Tokyo to express its views during discussions but not to participate in the preparation or adoption of resolutions.

Party Leaders Discuss Upper House Elections

OW0907095192

[Editorial Report] Tokyo NHK General Television Network in Japanese at 1030 GMT on 8 July begins broadcasting a live, 90-minute roundtable discussion entitled: "House of Councillors Election Campaign Begins." Taking part in the roundtable are Shin Kanemaru, vice president of the Liberal Democratic Party (LDP); Makoto Tanabe, chairman of the Social Democratic Party of Japan (SDPJ); Koshihiro Ishida, chairman of the Komeito; Tetsuzo Fuwa, chairman of the Japan Communist Party (JCP); Keigo Ouchi, chairman of the Democratic Socialist Party (DSP); and Yasumatsu Hoshikawa, representative of the Rengo-no-Kai. The 90-minute program, which is part of a "News Center Special Program," is moderated by Korehito Obama.

The discussion begins with Obama asking the party leaders what they plan to emphasize most in the upcoming elections. Kanemaru says, "In the current shaky situation, the LDP has to highlight measures to settle various issues, including problems concerning the Peacekeeping Operations [PKO] Cooperation Law and economy-boosting measures." SDPJ's Tanabe, while indicating a desire to make Japan a great place to live and to prevent political corruption, says his party will stress the fact that "Japan should contribute to the international community." Ishida says Komeito will win peoples' support by stressing measures aimed at improving the people's standard of living and emphasizing the need for economic recovery measures and political reform, as well as "indicating the significance of the PKO Law." Fuwa says, "The JCP will appeal to the public that the JCP has continued supporting democratic politics." Stressing the need to implement political reform, the DSP's Ouchi says, "Our party will pursue politics to improve people's lives." Hoshikawa notes the need to conduct politics for the people, adding that "the upper house should play its role as a house with a lot of sense."

Obama then asks Kanemaru how the LDP is going to win people's support for the PKO Law. To note the significance of the law, Kanemaru refers to his recent meeting with CPC General Secretary Jiang Zemin in which they agreed on the importance of international contributions. According to Kanemaru, Jiang expressed understanding of Japan's PKO policy by saying "if Japan were hit by misfortune, China would send its forces to Japan to provide assistance." Asked about how the SDPJ plans to deal with the PKO Law, Tanabe, while admitting the need for international contributions, reiterates the party's position that "Japan should contribute in nonmilitary areas." Ishida opposes Tanabe's idea by saying the current situation in Cambodia requires a dispatch of Self-Defense Forces (SDF) personnel. Fuwa notes that the law is unconstitutional since UN PKO activities include the use of force, which is banned by the Constitution. Ouchi says the law is being misinterpreted, and he strongly denies the possibility that the law, through the dispatch of military forces overseas, will ultimately lead to conscription. Hoshikawa says he hopes that political parties will agree to set up an organization for peacekeeping separate from the SDF when the law is reviewed in the future.

Obama asks Tanabe how he assesses the recent Diet session. During the session, resignations were submitted by the SDPJ and the United Social Democratic Party to oppose the PKO Law, but the resignations were rejected by the lower house speaker. Admitting that the acts of submitting resignations and resorting to the ox-walk tactics proved problematic, Tanabe says they were the only measures that the SDPJ could take to indicate its opposition to the law. Asked for his thoughts on the SDPJ resignation requests, Kanemaru, criticizing the SDPJ for lack of commonsense, says the requests are totally unacceptable because, if they were accepted, the Diet would be dissolved. He stresses the fact that the right to dissolve the Diet belongs solely to the prime minister.

Next, Obama asks the participants how Japan should cooperate with the United Nations in its peacekeeping efforts in Cambodia. Ishida says the results of a survey by a fact-finding team, which recently returned from Cambodia, should first be disclosed to the public to deepen their understanding of PKO activities. Ishida adds that, through discussions with Cambodian leaders, he has learned Cambodia wants Japan to conduct logistic operations in the country. Fuwa expresses doubts about Japan's joining PKO activities in Cambodia at this moment because fire is still being exchanged in the country. He stresses that PKO activities should not be conducted while conflicts between military forces continue. Kanemaru says it is a matter of course that each nation extend a helping hand to countries suffering from natural disasters or other misfortunes.

Obama then asks Ouchi to comment on Fuwa's and Tanabe's point that since hostilities have not ended in Cambodia, the PKO Law cannot take effect. Ouchi argues that "the armistice is not bankrupt and has not collapsed; it exists." He also argues that "with regard to the Cambodian situation, a government survey team has gone there to investigate whether the armistice will be observed. We need to see what the survey team's report has to say." Ishida adds it is precisely the maintenance of the precarious peace in Cambodia which is the top priority, and this will pave the way for larger-scale civilian PKO activities in the near future.

Fuwa refutes Ouchi's and Ishida's position, saying the actual situation in Cambodia is that the Pol Pot faction is not observing the armistice. He also asserts there are numerous forms of civilian aid to Cambodia that Japan can undertake; the problem is the government has been delaying them, claiming they are not possible without a PKO law. Ouchi then argues that it is irresponsible to do nothing just because one faction fails to observe the armistice.

At this point Tanabe suggests that a survey team consisting of representatives of various political parties be formed to get acquainted with the real situation in

Cambodia, implying the report by the government survey team might be politically colored. Kanemaru opts to take a cautious attitude to this proposal, but says he thinks refinements can be made on the PKO Law after multiparty consultations, not only for the sake of the Cambodia issue but also for all future PKO, negating Obama's suggestion that revisions might be made before sending PKO contingents to Cambodia.

Obama then takes up Tanabe's and Kanemaru's suggestions as the next point of discussion. Ouchi first declares that while there is a provision in the PKO Law stipulating a review be conducted in three years' time: "I am in favor of consultations among the various political parties even before that," "as soon as some experience is accumulated regarding the PKO and we have certain prospects." He also states: "I am all for sending a multiparty survey team to Cambodia as Mr. Tanabe suggested". Ishida agrees with Ouchi. Fuwa reiterates that there is as yet no legal basis for sending Japanese PKO contingents, but if multiparty consultations and a survey team are to be organized to determine whether such a legal basis exists, his party is willing to participate. Rengo-no-Kai's Hoshikawa agrees to the importance of sending a survey team.

Obama now turns to economic stimulation measures, ignoring protestations from Fuwa. Kanemaru emphasizes: "If we look at the current economic trends, we will be facing a serious crisis if something is not done. Furthermore, Japan's trade surplus is No. 1 in the world". Therefore, he calls for drastic pump-priming measures—including a major supplementary budget to the tune of 8 trillion yen—after the upper house elections.

Hoshikawa wants pump-priming measures to consist not solely of lavish public investments—for fear of creating another bubble—but for investments in projects closely related to the people's lives, and urges a 2-trillion-yen tax cut for salaried workers to enhance purchasing power.

While Fuwa admits there is a need for strong pump-priming measures, he asserts these "should not help only big business", but should give priority to medium-sized and small businesses, and "should not be undertaken in response to the demands of the United States". He also says "we propose a 1.5-trillion-yen tax cut, including measures such as exempting food from consumption tax," as well as other policies benefiting the people's welfare.

On the premise that the government-projected 3.5 percent economic growth rate is unlikely to be achieved, Ishida proposes a 1-trillion-yen income tax cut, plus a 6-trillion-yen investment in public projects which he claims will push the economic growth rate up by 1.5 points. He also calls for relief measures for medium-sized and small businesses.

Ouchi in turn presents the DSP's proposal for emergency economic measures to the tune of 7 trillion yen, to be taken up in an extraordinary Diet session to be held after the elections, which consists of tax cuts for salaried workers, tax cuts for capital investments of medium-sized and small businesses, and additional investments in public projects. He asserts this will be able to push the economic growth rate in real terms to 3.5 to 4 percent. He also calls for the resumption of the special tax exemption for those selling their residences to acquire a new one, which was abolished in the aftermath of the bubble economy.

Tanabe calls for prompt economic measures, including a 1-trillion-yen tax cut, a 1.5-trillion-yen cut in property tax to stimulate purchasing power, and assistance to investment by medium-sized and small businesses. He also asks that the opposition parties' amendment to the budget bill—calling for drastic cuts in defense spending—be considered in order to make way for welfare and international contribution expenditures as a peace dividend.

Kanemaru comments on income tax cut suggestions, indicating he still gives more importance to the production side of the economy. He says an agreement has been reached with the Finance Ministry to allocate 2 trillion yen in subsidies to local businesses through local administrations. At this point he agrees to Ouchi's request for resuming the special tax exemption for residence replacement, saying details of this will be finalized later.

Asked about his stance toward the political reform issue, Tanabe stresses that Prime Minister Miyazawa is responsible for indicating a clear direction of policies for such pending issues as lower house seat reapportionment and political fund control, and says development of these issues "depends on the prime minister's decisions."

Kanemaru shows approval for Tanabe's remark, adding: "Now that the political circles are ready to work on some specific points regarding the issue of political reform, I think he can actively take actions to settle them."

Ishida says: "The fundamental focus of political reform should be the vicious ties between Dietmen and monetary donations from business circles."

Fuwa criticizes the LDP's attitude toward lower house seat reapportionment, noting that the LDP's real intention is unclear on the issue.

Ouchi says all parties must start taking action now in a realistic manner, and says the final goal of political reform is to "establish an axis of political power to replace the LDP." Ouchi stresses the need for a turnover of political power and for a prohibition of donations by business circles.

Obama then asks when the Diet will hold an extraordinary session to discuss the political reform issue. In reply, Kanemaru says the upper house will be able to form an inter-party consultative board "immediately after the forthcoming elections" rather than "postponing negotiations until September."

Turning to post-election political scenes, Ishida says: "During the last Diet session we reached a three-party tie-up among the LDP, the DSP, and Komeito regarding the PKO issue; we should further promote such relations." However, Ishida says that Komeito "will determine whether or not it takes a cooperative stance toward the LDP on a case-by-case basis" since the party is against some LDP policy, such as "election system reform with an introduction to a single-seat constituency system." But Ishida shows a negative view toward an SDPJ-led coalition of opposition parties since "we cannot imagine two-party politics under the allied opposition unless some opposition parties adopt realistic policies."

On the assumption that the LDP is unlikely to win back the majority in the upper house, Ouchi notes the significance of the LDP-Komeito-DSP alliance, saying "the SDPJ cannot become the ruling party" judging from its attitude toward the PKO issue.

Hoshikawa hints at Rengo's positive stance toward a regrouping of the political parties in case of an LDP defeat in the upper house election, saying that if the LDP further loses seats in the upper house, then the "political circles will have to change framework consultations and cooperation."

Tanabe blames the LDP, Komeito, and the DSP for "enforcing the opinion of the majority" on the PKO issue, saying the upper house can appropriately function even without the LDP majority as long as the LDP pays respect to the SDPJ's opinions. Tanabe then stresses his willingness to resume dialogue with the LDP on pending issues left for the post-election political scene, calling for meetings with Prime Minister Miyazawa.

Fuwa stresses the need for drastic change in Japanese politics, with the JCP's participation in an anti-LDP coalition.

With respect to the proposals for a regrouping of the political parties, Kanemaru says it is not easy under the current situation, while it has been his favorite idea. But he notes: "It is better to establish political parties which are really good for the nation and the people." Tanabe says: "Political circles cannot be changed if we become a supplement power of the LDP. We should become the power to replace the LDP." To achieve that goal, Tanabe stresses the need for action to "build confidence" among opposition parties, criticizing the JCP's attitude toward the SDPJ.

In conclusion, Obama asks each participant how many upper house seats his party expects to win in the forthcoming elections. Hoshikawa says election results are quite unpredictable, but Rengo will try its best to pass all candidates. Ouchi says the DSP has a good chance to double its seats to 10. Fuwa stresses the JCP's policy to defend seats in major cities and win as many proportional representation seats as possible. Ishida says Komeito expects to win six local seats and seven proportional representation seats. Tanabe says the SDPJ will certainly increase its power through the next elections, stressing that the elections are "a competition between the LDP and the SDPJ." At last Kanemaru says he thinks "the LDP will win 22 proportional representative seats and lose three to four seats in local districts." The roundtable talks conclude at 1202 GMT.

Miyazawa Campaigns Using Summit Islands Issue

OW1007143992 Tokyo KYODO in English 1250 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—Prime Minister Kiichi Miyazawa hit the campaign trail upon arriving home from the Munich Summit Friday, wooing voters with his success at putting Japan's territorial dispute with Russia on the international agenda.

Speaking in Tokyo's fashionable Ginza shopping district, Miyazawa touted his diplomatic successes while assuring shoppers and ruling Liberal Democratic Party (LDP) supporters that the U.N. Peacekeeping Law passed last month would not lead Japan into war again.

The leading opposition Social Democratic Party (SDP) is urging voters to support its position that international cooperation should be limited to nonmilitary contributions when they go to the polls for the House of Councillors on July 26.

Perched on top of a campaign van, Miyazawa said the inclusion of the territorial dispute in the Group of Seven (G-7) political document proved that Japan's "claims for the past 40 years were right."

Miyazawa said that while he is "not optimistic" that the dispute would be resolved easily, he is confident the international pressure will enable Russian President Boris Yeltsin to obtain a mandate to put an end to the disagreement over ownership of four islands off Hokkaido.

Tokyo has been demanding the return of the four islands seized by the former Soviet Red Army at the end of World War II.

Miyazawa compared the summit of major industrialized nations with the first one he attended 17 years ago and said Japan now has a lot more influence.

He said Japan's hard-working citizens have helped the country acquire its substantial political influence and pledged to reward their efforts with policies that would make housing more affordable and public transportation less crowded.

Criticizing the SDP for its "ox walk" tactic that delayed for days the vote on the peacekeeping law, Miyazawa said he was stumped at how to explain the behavior to other G-7 leaders.

"I was told by others that this was mysterious," he said.

Japan's Self-Defense Forces in Cambodia will be helping resettle thousands of returning refugees but not engage in any fighting, he said.

Schoolteacher Yoshiko Takahashi, 26, after listening to the half-hour speech under the glaring sun, said she felt more debate is needed on the overseas dispatch of ground troops to ensure that Japan would not become a military power.

One listener said he was undecided on the SDF dispatch but that "no one can argue against international cooperation."

"There is not much to get excited about in elections unless some politician receives a bribe," said the 23-year-old finance company employee.

Polls have shown that the LDP is likely to win over half of the 127 seats up for grabs.

Elections for half of the 252 upper house seats are held every three years. Successful candidates win six-year terms in the less-influential body of the bicameral parliament.

The upper house by-election in Saitama Prefecture also will be carried out July 26 to fill a seat vacated by former upper house President Yoshikiko Tsuchiya, who became the Saitama governor.

The LDP holds 113 seats, the SDP 71 seats, and the remaining are divided among other opposition parties.

Leader of New Political Party Seeks Reform

OW1007101592 Tokyo KYODO in English 0921 GMT 10 Jul 92

[Text] Tokyo, July 10 KYODO—The leader of the recently-created New Japan Party (NJP) spelled out Friday a reform platform to decentralize political power, open the nation's rice market and establish an independent organization to handle peacekeeping operations overseas.

Speaking at the Foreign Correspondents' Club of Japan, Morihiro Hosokawa, whose two-month-old party is fielding 16 candidates in the July 26 House of Councillors election, said he rejects the idea of sending the Self-Defense Forces (SDF) overseas on United Nations (U.N.) peacekeeping missions.

According to Hosokawa, Japan should create a "new organization designed to cooperate exclusively with U.N. activities." His plan calls for a portion of the money currently used to finance the SDF to be channeled to this new organization.

"In order to quell doubts both at home and abroad, a totally independent organization is needed," Hosokawa said.

The law, enacted June 15, allows the SDF to join U.N. peacekeeping missions. The measure has been attacked by critics who see it as a first step toward Japanese militarization.

Opponents also argue that the law violates Japan's Constitution, which bans the use of force to settle international disputes.

Hosokawa, who served two terms as an upper house member of the ruling Liberal Democratic Party, said that Japan should open its rice market so Japanese can enjoy prosperity commensurate with the nation's economic might.

"I am fully aware of the inefficiency of Japanese agriculture as a result of the government's protection," said Hosokawa, who also served as governor of largely agricultural Kumamoto Prefecture, in Kyushu, southern Japan, before founding the new party.

The NJP chief said that although Japan is a world leader in manufacturing, it still lags behind in such areas as agricultural productivity, distribution, construction, and services.

"This has been a major reason why people in this country have not enjoyed a better quality of life," Hosokawa said.

He said the concentration of political power in Tokyo has resulted in exorbitant land prices in the capital. It has also reduced opportunities in rural areas.

"What is necessary is to make full utilization of the total land mass of Japan," he said.

"A thorough decentralization should be implemented," he said. "The administration linked to daily livelihoods should be planned and implemented on a grassroots level, with power going to local governments."

Voters will choose a total of 127 representatives in the upcoming election. All the NJP candidates are running for 50 nationwide proportional seats up for reelection.

Hosokawa said that if his party can win three of the seats he will consider his efforts a success.

A total of 38 parties fielding 330 candidates are vying for the proportional representation posts.

Central Bank Governor Leaves for BIS Meeting

OW0907062392 Tokyo KYODO in English 0521 GMT 9 Jul 92

[Text] Tokyo, July 9 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno left Tokyo on Thursday for Europe to attend the monthly general meeting of the Bank for International Settlements (BIS) in Basel, Switzerland. Mieno, accompanied by Mikio Wakatsuki, executive director of the central bank, is also scheduled to visit Sweden to discuss that nation's financial and economic situation and exchange views with the authorities concerned. Mieno will return to Japan next Wednesday, BOJ officials said.

South Korea

North-IAEA Conclude Nuclear Inspection Accord

SK1007093792 Seoul YONHAP in English 0922 GMT 10 Jul 92

[Text] Seoul, July 10 (OANA-YONHAP)—North Korea put into effect Friday an agreement with the International

Atomic Energy Agency (IAEA) that paved the way for routine inspection on its nuclear materials and facilities.

The subsidiary arrangement, a post-agreement to the nuclear safeguards accord in force from April 10, went into effect immediately after the North Korean Embassy in Vienna notified the IAEA headquarters that it will accept the text worked out between Pyongyang and the agency, Foreign Ministry officials here said.

But North Korea is yet to approve the facility attachment that determines which installations to include in the routine inspection and how long and often the inspection should be, the officials said.

Pyongyang reported 16 nuclear-related facilities to the IAEA, including four core installations and parts that are key to suspicions against its nuclear arms development program—its 5 megawatt nuclear reactor, radiochemical laboratory which IAEA says will turn into reprocessing plant once completed, nuclear fuel rod and sub-critical facilities.

The IAEA revised its regulations at last month's Board of Governors' meeting, making it mandatory for its members to report all nuclear-related facilities at least 180 days before they are built.

Former regulations were more lax, requiring a report just 60 days before the installation goes into operation.

Under the revised rule, the four facilities in question would have to be included in the facility attachment, officials said.

North Korea has not yet answered whether it will follow the former or revised regulations, and routine inspection will not begin until this decision is made, they said.

The ad hoc inspection team, currently on its second trip in North Korea, will have to approve the facility attachment to make sure that none of the listed installations require further ad hoc inspection, they said.

But the IAEA can start routine inspection on agreed facilities first, according to the officials.

The IAEA has the final say on when to start the routine inspection.

Agreement Reached With North To Stop Propaganda

SK1007082892 Seoul YONHAP in English
0810 GMT 10 Jul 92

[Text] Seoul, July 10 (OANA-YONHAP)—South and North Korea agreed Friday on parts of a pact in which they may recognize each other and promise to stop propaganda and subversion.

Political subcommittee chairmen will hold a second meeting July 18 to work on other details.

North Korea reiterated that South Korea's proposal on reunion and resettlement of dispersed families was "unrealistic" and demanded the immediate repatriation of Yi In-mo, a North Korean journalist who served more than 30 years in prison in South Korea for refusing to renounce communism.

Friday's talks were to finalize the text of a protocol on reconciliation for adoption before the eighth round of inter-Korean prime ministers' talks in Pyongyang Sept. 15-18.

Seoul proposed a revision to halt criticism and propaganda aimed at each other and urged Pyongyang to adopt the protocol before the prime ministers' meeting as promised.

Seoul had planned to give Pyongyang legal handbooks on its national security and related laws, but decided to wait until North Korea presented its request list at the contact July 18.

North Korea repeated its negative response to Prime Minister Chong Won-sik's proposal on family reunion and resettlement and demanded Yi's repatriation, one of Pyongyang's conditions for the family reunion planned for Aug. 25-28.

South Korea answered that it hoped to receive an official response to Chong's proposal from North Korean Prime Minister Yon Hyong-muk.

Inter-Korean Trade Decreases in Jun

SK0907114592 Seoul YONHAP in English
1024 GMT 9 Jul 92

[Text] Seoul, July 9 (YONHAP)—Exchanges of commodities between South and North Korea declined in the month of June to reflect strained inter-Korean relations over the issue of nuclear inspections.

The National Unification Board said in a report Thursday that 17,550,000 dollars worth of materials were exchanged between the two Koreas in June, down 3,790,000 dollars from May's 21,360,000 dollars.

The June volume, which was on an approval basis, included 15,220,000 dollars taken into the country from the North and 2,330,000 dollars shipped to the North.

The amount brought to 107,110,000 dollars the total of material exchanges in the first half of this year. The six-month total represents a rise of about 30 percent over the same period of last year.

A total of 124 southern firms took part in the material exchanges, which brought in 127 items in all including pebbles and sintered magnesia and shipped to the North cold-rolled plate, cigarette filter and 14 other items, the report said.

Investigation of Army Land-Sale Plan Continues

Company Director To Be Arrested

SK1007102892 Seoul YONHAP in English 0702 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—The prosecution sought an arrest warrant Friday for Yun Song-sik, executive director of First Life Insurance Co., on suspicion of receiving 800 million won in kickbacks when he had signed a bogus contract to buy plots of land owned by the Army Intelligence Command.

Yun, 51, allegedly agreed to raise the price to 23 million per pyong from the initially set price of 20 million won during the process of signing the contract with Chong Kun-chung, leader of a group of swindlers.

Yun and the Chong group agreed to halve the difference—6 billion—and Yun received 800 million won as an advance.

Officials at the Seoul District prosecution said they were also looking into the possibility that Yun could have received some more money from the Chong group.

Meanwhile, the prosecution continued to grill Kim Yong-ho, a civilian employee of the Joint Chiefs of Staff Headquarters, who provided the Chong group with the bogus contract to sell land held by the Army Intelligence Command.

During the questioning, the prosecutors traced the 1 billion won Kim took to Hong Kong back to Chong Kun-chung and his wife, Won Yu-sun, who had paid the money for arranging the sale of land in Anyang, south of Seoul, in a separate deal.

The prosecution said it had confirmed that the 1 billion won Kim had smuggled to Hong Kong was part of 23 billion won the Chong group received from First Life insurance.

Kim, 52, a former army colonel, had been seized in Tianjin, China, with the help of Chinese authorities after he fled from the British colony.

In another development in the widening land scam, prosecutors visited Pak Nam-kyu, chairman of First Life, in hospital to question him about the process of signing the contract to buy the land owned by the Army Intelligence Command.

Pak insisted that he had not received any report on the purchase of the land. He said he told company executives to secure plots of land to build a company building.

He received a report either in late December or early January, however, that the company could buy plots of land in Seoul's Socho ward for 22 million won per pyong. He told his men not to purchase them because the price was not right.

Yun, on the other hand, told interrogators that he told Pak about the imminent purchase of land owned by the Army Intelligence Command in April.

The prosecution decided to further question Pak and Ha Yong-ki, 66, president of First Life.

Prosecutors also continued to interrogate Chong Kun-chung, Chong Yong-chin, president of Sungmoo Construction Co., and Chong's elder brother, Chong Myong-wu, who were arrested Thursday, in order to trace the money they defrauded First Life of.

Justice Minister Kim Ki-chun sent an official letter to Prosecutor General Chong Ku-yong on Friday praising the Seoul District prosecutors for their investigative efforts and ordering them to continue doing their best to clear the scandal to the full satisfaction of the people.

Installation Planning Office Reorganized

SK1007010192 Seoul THE KOREA TIMES in English 10 Jul 92 p 3

[Text] The Defense Ministry has decided to completely restructure the installation planning office at the Joint Chiefs of Staff [JCS] in the wake of Kim Yong-ho, who had worked in the office, becoming a central figure in the sensational fraud case involving real estate owned by the Military Intelligence Command.

A senior official said that the decision on a total shakeout came yesterday as Defense Minister Choe Sae-chang accepted JCS chairman Gen. Yi Pil-sop's proposal to reorganize the office.

The projected overhaul, according to the official, will also cover the office's functions.

A colonel on active service will replace a civilian employee as chief of the installation planning office under the reorganized system. The active-duty serviceman's assignment at the office will continue only for two years.

Up to now, civilian employees have headed the office for indefinite periods.

The official said reorganization is also keyed to running the office in open, not secret, ways and its chief will be obliged to consult with three officers from the Army, Air Force and Navy in all areas of businesses.

The official noted that Minister Choe had also ordered Gen. Yi to reshape the installation planning office completely to help prevent fraudulent land scams from occurring again.

The ministry is, meanwhile, weighing the possibility of turning over part of the office's key business to the installation bureau under its direct control, the official said. The major business part, according to him, is one dealing with the areas for protection of military installations and facilities.

Kim Yong-sam 'Keeps Distance' From President

SK1007034692 Seoul CHUNGANG ILBO in Korean 6 Jul 92 p 3

[Article by reporter Kim Chin: "Kim Yong-sam Keeps Distance From President No"]

[Text] The Democratic Liberal Party [DLP] presidential candidate Kim Yong-sam has begun vexing President No Tae-u in the so-called policy of differentiating himself from President No. To what extent and at what time candidate Kim will reveal his assessment of President No remains to be seen.

At a time when President No's popularity is declining, candidate Kim is in a contradictory position of having to convince the people that he will not repeat the Sixth Republic's maladministration while having to rely on President No's to rally the panruling camp behind him.

Candidate Kim, however, is taking pains to fine-tune his level of criticism of President No because his criticism of the Sixth Republic's maladministration runs the risk of undermining the panruling camp's unity as well as his relations with President No.

More often than not, candidate Kim emphasizes the need for a "powerful government." At the same time, he particularly stresses not-so-radical reforms and his goal of winning 50 percent of the votes in the presidential election.

While addressing a seminar organized by the Korean Political Science Association at the Choson Hotel in Kyongju on 3 July, candidate Kim said: "We have already undergone many economic difficulties under the transitional system due to the solicitations and requests pouring in from all social strata and due to their feuding and confrontation." Thus, he appeared to allude to his criticism of President No's weak administrative style.

He promised: When I come into power, I will try to form a democratic but powerful, functional government to provide incentive for investment and hard work. In this way, he indirectly criticized the weak administration and economic maladministration, President No's most salient weak points. Again in a speech delivered at the Political Education Center on 1 July, he mentioned the need for discipline in the regime by arguing that "we cannot afford to leave the slackened social discipline as it is now. All people should have confidence in the president and abide by the law."

Going one step further, he said: For the president to enjoy public support, it is imperative for him to be honest and clean. Depending on how one views it, his stinging remark can be seen as questioning the No regime's moral trustworthiness.

Some people consider Executive Chairman Kim's outspoken words on the date for the elections of the heads of autonomous governments to be a declaration of his own policy.

Strategists at Sangdo-tong [Kim Yong-sam's residence] are very cautious about candidate Kim's "policy of differentiating himself from President No" but show profound concern about it. What all these remarks seem to suggest is that if the ruling party's candidate were to win in the popular presidential election, he must make himself appear different from the incumbent to a certain degree. The key is to appropriately fine-tune the degree of difference and to know when to make such remarks.

One of Executive Chairman Kim's close associates said that "his theory on a powerful administration is a philosophy he has hardened since the merger of the three parties" and asked: Isn't it a catchphrase he employed when he ran in the nomination for the ruling party's presidential candidate? Thus, he indicated that Executive Chairman Kim would cling to it in the course of running in the presidential election. He also explained that Executive Chairman Kim's reference to the government's morality is directed not so much at President No as at candidates Kim Tae-chong and Chong Chu-yong.

Those around Executive Chairman Kim regard the criticism directed at the government as something inevitable and believe that even President No would not mind it. An aide to Executive Chairman Kim said: Voters always seek new faces in elections, and we expect that President No knows very well through his own experiences of running in popular elections that, if necessary, presidential candidates can attack the incumbent, but the attack should be terse and made in such a way as to minimize aftereffects.

The aide predicted that such an attack will probably start either in September or October and insisted that "President No" will tolerate it.

Executive Chairman Kim's aides have carefully studied the precedents set between then President Chon Tu-hwan and candidate No in the 1987 presidential election.

One of the aides remembered that then President Chon went so far as to suggest to candidate No that "he may as well insult me if it will help him win" and predicted that "President No will find it hard to avoid doing what Chon Tu-hwan did."

What is noteworthy is that candidate No, who had kept his profile low as the No. 2 man under President Chon, did not attack considerably many areas, even though his predecessor promised that he would not mind.

Only about 5 December 1987 did candidate No slightly mention irregularities committed by President Chon's family members and relatives by saying: No one can be excluded from the elimination of irregularities and corruption, not even the head of state.

Aides to Executive Chairman Kim explained: As it is equally important to keep those currently in power unified, we are careful in criticizing President No.

But they also stressed: We cannot afford to ignore President No's maladministration.

Officials at Chongwadae and the ruling party's nerve center who are bent on defending the Sixth Republic's system are now working on how to reconcile the Chon-No relations in 1987 with the stance the presidential candidate will take on the incumbent in 1992.

Even after then President Chon licensed presidential candidate No to attack him, suggesting that the latter do whatever was harmful to the former, candidate No could not take potshots at President Chon, whose authority was unchallengeable at that time.

Candidate No's staff members, including six kingmakers such as Yi Chun-ku, Sim Myong-po, Choe Pyong-yol, Hyon Hong-chu, Kang Yong-sik, and Yi Pyong-ki, were constantly alert to keep his criticisms at an appropriate level. They even let Chongwadae know in advance the main points of Candidate No's campaign speeches and obtained approval from Chongwadae.

Staff members considering that Kim Yong-sam is virtually an odds-on candidate believe that he can be far freer in his criticism of President No, given the different situation then and now.

A figure said: In light of his own experience, President No would be well aware of the agony Executive Chairman Kim faces.

Even so, officials at Chongwadae and in the cabinet insist that Executive Chairman Kim should not create difficulties by unilaterally criticizing the incumbent, ignoring the transitional nature of President No's term of office.

A highly-placed source said: The past five years was sort of a democratic transitional period which can be called a citizens revolution. The Fifth Republic was distinctively different from the Sixth Republic, the difference being a dictatorial regime versus a democratic regime. If one ignores this and brands President No's government as maladministration, one would fail to convince even those in the ruling camp. This is a warning: One can attack, but one should not try to brand something that needs historical assessment as a mark of failure.

With the presidential election approaching, Chongwadae and candidate Kim need to derive ways to deal with such a situation.

Bank Opens Representative Office in Beijing

SK1007062392 Seoul YONHAP in English 0512 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—The Korea Foreign Exchange Bank became the first South Korean bank to open a representative office in Beijing on Friday.

The opening ceremony was attended by Hong Chae-hyong, president of the bank, Ambassador No Chae-won, chief of the South Korean Representative Office in Beijing, Wang Deyan, president of the Bank of China, and other dignitaries.

The office will conduct surveys on the Chinese economy, provide consultations on investment in China and mediate financial transactions between Korean and Chinese business partners.

Increased Role in Japanese Construction Planned

SK1007035692 Seoul YONHAP in English 0316 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—The government and the construction companies will step up cooperation to make greater inroads into the Japanese market and have Japan transfer more technologies to Korea, Construction Ministry officials said Friday.

The Ministry recently called a meeting of executives of 21 large construction firms and discussed how to make advancement into the Japanese market.

The meeting followed the Japanese decision to recognize the achievements of Korean construction companies in other markets, the officials said.

Japan has long barred Korean construction firms from bidding for public projects by not recognizing their performances overseas, but decided to recognize in an action plan the two governments announced July 1 at the end of talks to redress the huge trade imbalance in Japan's favor.

The government will hold consultations with Japan on a regular basis and will send more construction workers to Japan for training there, Ministry officials said.

It will set up a network to oversee whether the Japanese government fulfills the promises it made during the Korea-Japan summit in January by exchanging information between the Korean construction attache in Japan and construction companies.

The overseas construction association of Korea will seek to enhance personnel exchange with its Japanese counterpart and promote on-the-spot training of Koreans in Japan to acquire ultramodern construction technologies.

Automakers Oppose Venture Into Truckmaking

SK1007062892 Seoul YONHAP in English 0539 GMT 10 Jul 92

[Text] Seoul, July 10 (YONHAP)—A hornet's nest has been stirred up by the government's decision to allow Samsung Shipbuilding and Heavy Industries to go into the truckmaking business.

Korea's five disgruntled automakers have urged the government to review its decision, and the citizens' coalition for economic justice is demanding a public hearing.

The presidents of the big five, Hyundai Motor Co., Kia Motor Corp., Daewoo Motor Co., Asia Motors and Ssanyong Corp., met at a Seoul hotel Friday morning to unite in their stand against Samsung.

They will deliver a request on behalf of the Korea Automobile Manufacturers Association to the trade and industry minister on Saturday, urging the goverment to reconsider Samsung's application to import truckmaking technology.

In their meeting Friday, the automakers charged that the government failed to invite a substantial input of public opinion before arriving at its decision, which contradicted the policy of specialization in industry and would eventually cause investment overlap and weaken the industry.

Meanwhile, the coalition, claiming that the government made its decision without a consensus, invited the government, Samsung, representatives of the five automakers, scholars and industry experts to an open hearing.

The coalition had planned to hold the hearing on Friday, but rescheduled it for Tuesday after consultations with Samsung.

* Kim Chong-il's Control Over Army Examined

922C0176 Seoul PUKHAN in Korean Jun 92 pp 40-49

[Article by Chon Hyon-chu, National Unification Research Institute]

[Text] On 20 April 1992 Kim Chong-il became "marshal" of the Democratic People's Republic of Korea (DPRK). This had been anticipated when Kim Il-song became "generalissimo" on 13 April, just before his 80th birthday. A number of questions arise: Why did they have to confer on Kim Chong-il the title of marshal at a point when there were increasing difficulties at home and abroad? Does the fact that Kim Chong-il received the title of marshal mean he has completely taken command of the military?

In order to resolve such questions we must consider the following points. As the army of the supreme leader who has continued the tradition of the anti-Japanese partisan movement, the army of the party, the army of the people, the North Korean Army is the armed force of the socialist revolution. For the army to have a raison d'etre, first of all it must receive the kin-like solicitude of the leader and be loyal to the supreme leader. Second, the army must loyally follow the "line of the party." That is, it must thoroughly follow the line of the person who decides the party line. Third, the army must have the wholehearted support of the people.

Under this kind of framework, I would like to examine the following three points in an attempt to analyze whether Kim Chong-il's control over the army, which we mentioned above, is firm. We will consider first, from the aspect of "the army of the supreme leader," whether he has secured the authority as the leader; second, from the aspect of the "army of the party," whether he has taken over control of the party, which decides on the party line; and third, from the aspect of the "army of the people," whether he has secured the support of the people.

Acquiring the Authority of the Leader

Power succession in North Korea in the strict sense of the word, is taking over the title of "*suryong*" or supreme leader. For Kim Chong-il, the most urgent, unequivocal task is to secure the invisible authority of the leader rather than having visible and institutionalized authority such as the post of president or party general secretary. In the North Korean system, there is no post of *suryong*, but the goal of chuche thought, which is the basic concept that steers North Korea, is the "theory of the leadership of the *suryong*." Kim Il-song actually does not rule by virtue of his position of president or party general secretary, but by the "authority of the *suryong*." Therefore, inheriting the authority of the *suryong* is very important and is the core of the succession.

To acquire the authority of the suryong, Kim Chong-il has endeavored to project the image of a thinker. From the point of view that Lenin, Stalin, Mao Zedong, and Kim Il-song were all self-styled thinkers, the goal was to stress the point that Kim Chong-il himself has ideological qualities second only to them. To do this, he has published a number of works including many relating to the arts, including "The Theory of Movie Arts;" "Concerning Chuche Thought" in 1982; "On Several Problems Arising in the Indoctrination of Chuche Thought" (the theory of completing the social-political organism) in 1986; "Our Style Socialism Centering about the Masses of the People is Invincible," on 5 May 1991; and "The Historic Lesson of the Building of Socialism and the General Line of Our Party" on 3 January 1992. All of these works rounded out chuche thought, North Korea's central value system, to coincide with the present realities.

Second, Kim Chong-il has concentrated all his energies on developing his image as an economist. By conducting "practical guidance" for light and heavy-industry factories, export goods exhibitions, and large-scale constructions such as apartment houses, he has endeavored to promote the image of himself as a "genius of construction." This was necessary also in order to rid himself of the criticism that the economy started to get worse from the time he began to take control of the party in the early 1970s.

As a result of these efforts, on 8 May 1992 he was referred to as the "great leader"—albeit by Han Tok-su, the chairman of the Chosen Soren (General Federation of Korean Residents in Japan.) Of course, inasmuch as "there cannot be two suns in the sky, the work of "transformation into the *suryong*" has not been completed because of Kim Chong-il's lack of personal charisma, and the process is "still in train."

Controls All Secretariat Specialized Offices

In North Korea, a state in which the party dominates, controlling the party is essential for securing and maintaining political power. But the meaning of controlling the party, we can see, means completely controlling the secretariat, not to mention the politburo. This is because, according to Article 26 of the WPK Party regulations, "when necessary, the secretariat discusses and decides intra-party issues such as personnel and immediate problems and organizes and guides the execution of these decisions. Therefore, its authority is virtually absolute. Also, the supreme power holder, Kim Il-song, is personally serving as the general secretary and Kim Chong-il, the number two man, who exercises authority in Kim Il-song's behalf, actually controls the politburo.

Through the "Organization and Guidance Department," which in the secretariat is the foundation of power, Kim Chong-il controls all the organs of physical coercion such as the State Security Ministry, the Public Security Ministry, the Korean People's Army (KPA), and the Bodyguard General Bureau, which are the instruments of terrorism (Gewalt Apparatus). By controlling the elites he holds the position of de facto holder of supreme power. This is corroborated by Kim Il-song's remarks in an interview with a reporter from the WASHINGTON TIMES on 12 April that "Kim Chong-il exercises actual control in all fields of the party, government, and the military."

But the most important thing is that Kim Chong-il controls 27 "specialized departments" under the secretariat. Because among them the Organization and Guidance Department is the de facto supreme power organ, Kim Chong-il personally holds the position of department director. The organization is composed of sections 1 to 13 and the there are 25 deputy department directors. The first deputy of the Organization and Guidance Department used to be Yi Chan-son (65, appointed November 1984, deceased). Its deputy directors include Yi Hwa-son (56, appointed in April 1986), in charge of the second section; Kim Kwang-u (appointed November 1989) deputy director in charge of the third section, and so on. First Deputy Director Yi Chan-son, who was in charge of the first section, was concurrently responsible secretary for the party Central Committee headquarters, and he controlled the party life of all the people in the Central Committee. The organization second section regulates the ideology and life of officials who are in charge of the Ministry of Foreign Affairs, the Ministry of External Economic Affairs, the Ministry of Foreign Trade, and other agencies dealing with external affairs. The 7th section is in charge of the Public Security Ministry; the 10th section is in charge of public safety, the judiciary, and administration; the 13th section administers the entire KPA.

While the 13th section is in charge of "party guidance" over the military, it works in consultation with the Cadre Department, which is in charge of working-level personnel matters of general grade officers and directly guides the military's party committee (chairman, O Chin-u) and the military's General Political Bureau. According to Article 47 of the party regulations "party organizations shall be formed in units at each level within the army, and the KPA shall organize a KPA party committee, which shall be composed of all the party organizations." The party committee of the KPA falls directly under the Central Committee of the KWP and conducts its business under Central Committee guidance. The KPA party committee directs and controls its party organizations through the "3 lines-3-day report and control system." The so-called 3 lines refer to the party organization system, the administrative or government system, and the State Security Ministry system. Therefore the army's party committee has two specific duties: administering daily life guidance and personnel affairs of the cadre and keeping tabs on their personal life.

All the authority of the Organization and Guidance Department is concentrated in and directed by the first section. Yi Chan-son, who was the versatile genius of personnel affairs and organization, used to exercise overall control of the department. The duties of the typical deputy department director include reporting to the person responsible for the 1st section. Also, as stated in Article 52, "the KPA General Political Bureau... is directly subordinate to the party Central Committee and carries out its work under its guidance and reports regularly concerning its assigned work to the party Central Committee," and the military's General Political Bureau organizes and executes within the military that party work which has been decided by the secretariat of the KWP.

The army's General Political Bureau is organized down to the company unit. Within the command structure of upper echelon organizations from army group (corps) and army headquarters down to battalion level is set up a political department. In the company units, there is only a political department company commander. On the other hand, army party committee organizations are set up in units of regimental level and above, while at the battalion level there is a primary party committee, and at the company level a cell committee.

North Korea claims that Kim Chong-il has been devoting his efforts to control of the military since 1966. This period was one in which Kim Chong-il was a guidance officer in the party Organization and Guidance Department and a member of Kim Il-song's entourage. Based on North Korea's claims, the process of Kim Chong-il's takeover of the army was as follows. After creating a "political committee system" within the military in July of 1966, Kim Chong-il provided guidance, saying to the political commissars in the KPA, "you must go among the soldier masses and live together with them, depend on them, and seek out the correct methods of solving problems." On 24 July 1967, he visited a coastal outpost and, addressing the sentries, "stressed the importance of the defense of the capital city of Pyongyang, where the supreme leader lives." In 1974, after reading documents submitted by a functionary of a military unit relating to problems of party life, Kim Chong-il meticulously appealed that "party functionaries always must see to it that no scars are allowed to form on the political life of party members."

In 1976 he "reminded political functionaries of the people's army of the importance of slogans and set forth concrete work directions and methods in order to implement the new slogans of the party." Around the middle of May 1976, he stressed to military political functionaries "indoctrination in loyalty is important, but only by doing a good job of indoctrination in principles is loyalty strengthened." In the fall of 1979 he began to launch the "Movement to Learn From Unsung Heroes." A typical example was the "Movement to Learn From O Chung-hup," which began on 6 December 1979. This was followed by the "Movement to Learn From Kim Hyok." Of course, this was a symbolic campaign designed to encourage loyalty to young Kim Chong-il.

On 1 January 1980, Kim Chong-il emphasized to political commissars of the Ministry of People's Armed Forces (MPAF) that "because the people's army is the army of the party, there must not be even 1 percent of hodgepodge thoughts." On 25 April 1984, on the occasion of the 52nd anniversary of the founding of the KPA, he made a personal speech and stressed: "Since the people's army is the army of the supreme leader, the army of the party, it must defend to the death its supreme leader, its party, its system, its fatherland." On 11 February 1991, Kim Chong-il sent a reply to an oath of loyalty sent by the soldiers of the KPA 525 Unit in which he said: "Glory to the armed forces of the revolution who are loyal to our party!" In February 1992, "Corporal Han Yong-chol died saving the portraits of Kim Il-song and Kim Chong-il, which were nearly destroyed by a hand grenade, and Kim Chong-il showed meticulous consideration by conferring upon Han the title of Hero of the Republic and having a bust erected in his native town." These facts show that from the early days of his emergence onto the political scene, Kim Chong-il has concentrated his energies on gaining control of military power no less than political power.

The cornerstone of his taking control of the military more than anything else lay his success in inserting the 3 Revolutions Teams movement into the military. From 1 December 1975 the 3 Revolutions Teams movement was changed into a "Campaign To Capture the Red Flag of the 3 Revolutions," and Kim Chong-il began to exercise organized control over the military by inserting the "Campaign To Capture the Red Flag of the 3 Revolutions" into the military. In November 1977, some 6,000 persons were assembled and a "KPA Propaganda Officers Conference" was convened in the presence of Kim Il-song. The participants resolved that the military would "vigorously push the Campaign To Capture the Red Flag of the 3 Revolutions. Through this kind of movement, Kim Chong-il in 1978 switched the anniversary date of the founding of the KPA, which had been 8 February, to 25 April, stressing that the roots of the military lay in the anti-Japanese partisan struggle, thereby gaining support from the old guard in the military.

Another important cornerstone was his taking control of the military "League of Socialist Working Youth" (LSWY). A congratulatory message of the Central Committee of the KWP of 24 April 1992, (NODONG SINMUN 25 April) stressed the role of the LSWY: "All soldiers, highly displaying the traditional beautiful virtues of unity between officers and enlisted men, unity between military and civilians, unity between party members and LSWY members, must go forward even more powerfully as the genuine revolutionary army that is firmly united with revolutionary comradely love and receives the positive support and love of the people." North Korea explains that the unity of party members and LSWY members means "party members must help LSWY members by being exemplars in military life and doing a good job of helping and leading the LSWY members; LSWY members must follow the model of the party members and go forward continuously highly displaying the noble virtue of sharing joys and hardships on the one road of revolution for the party and the leader, the fatherland and the people."

But the LSWY organization within the military was established before the Korean war and has been active as a political unit under the guidance of officers of each unit's cultural department. North Korea's LSWY organization, in the case of units of battalion and higher consists of a "LSWY Committee"; in company-size units there is a "primary level group committee," which is an infrastructural unit; and in squads there is a "team." The LSWY organization originally was inaugurated in January 1946 as the "North Korean Democratic Youth League." In May 1964 it was reorganized as the League of Socialist Working Youth. Kim Chong-il's political base, the LSWY is composed of youth from age 14 to 30. This organization took the initiative in carrying out the "Campaign to Capture the Red Flag of the 3 Revolutions", which became Kim Chong-il's bridgehead in the military. The recent stressing of the unity between party members and LSWY members suggests the organized control of the military through the LSWY.

North Korea propagandizes Kim Chong-il's outstanding abilities not only in the military-ideological aspect, but also the military-technology aspect. Yi Kil-song, the responsible secretary of the Yanggang Provincial party committee, has said Kim Chong-il "early on set forth the military construction line concerning the transformation of the entire army into chuche thought by inheriting and developing the totality of chuche military construction. He firmly established the party's leadership system in the people's army, strengthening and developing our revolutionary armed forces into a real army of the revolution, army of the leader, army of the party, army of the people in which the members devote their lives struggling for the party and leader, fatherland and people."

Vice Minister of People's Armed Forces Yi Pyong-uk said: "The respected and beloved supreme commander is a genius of military affairs. He has clearly elucidated the essential nature of the working class's revolutionary army as the army of the leader and has given perfect answers to all theoretical and practical problems arising in military construction and military activities. The dear comrade leader, basing himself on chuche military ideology and theory, has elucidated with perfection our style of strategy and tactics that are capable of 100 victories in 100 battles in the war of revolution. He is leading the people's army along the one road of victory, possessing incomparable courage and an iron will that no one can match.... He has elucidated the chuche method of battle in the hills of the front lines, in naval vessels racing through the raging billows of the sea lanes, and on runways burning under the heat of blazing hot summer. He has guided us in the use of the chuche method of battle skillfully and with penetrating insight and foresight, uncommon leadership ability, an iron will, and ever-victorious battle methods. He has smashed to smithereens each attempt to provoke a new war that our enemies are continuously venturing to carry out, and he has created military miracles."

The effect of this kind of ability has been the building of a firm support base not just in the party, but also within the military. As the 26 April issue of NODONG SINMUN said, "In harmony with the song that reverberated through the forests of Paektu, today the first and second and third generations of the revolution are filling the square, having the endless glory of highly revering the dear leader Comrade Kim Chong-il in the leadership position of our party and the revolutionary armed forces." Kim Chong-il's military support base, in broad terms, can be divided into the partisan generation, with is the first generation, and the Mangyongdae Revolutionary Academy graduates, who are the second and third generations, and it is believed that loyalty to Kim Chong-il is very strong.

Each year since 1975, on the occasion of major military events, North Korea has been publishing articles appealing for the military to rally firmly about Kim Il-song and the Party Center (Kim Chong-il). A typical example is an article by O Chin-u, a member of the partisan generation, that commemorated the 30th anniversary of the party in 1975. He said: " We must unconditionally accept and carry out to the finish every guideline set forth by the party center, which most accurately embodies the great leader's revolutionary thought and intent. We must launch an uncompromising, sharp struggle against any phenomenon and element, no matter how small, that opposes the revolutionary guidance of the party." O Chin-u swore to maintain the Kim Il-song-Kim Chong-il regime and to loyally carry out the role of the army of the party.

Recently on the 60th anniversary of the founding of the people's army, KPA Colonel General Cho Myong-nok, in an article in the 23 April 1992 issue of NODONG SINMUN, emphasized "Our people's army has become further strengthened and developed as the one-beats-a hundred ranks thanks to the energetic leadership of the respected and beloved comrade supreme commander, who personifies perfectly the chuche-oriented military thought of the leader and is brilliantly achieving it.... Today the officers and men of the people's army deeply cherish the great honor and happiness of having the respected and beloved comrade supreme commander as the marshal of the Democratic People's Republic of Korea...."

Also, Colonel General Kim Pong-nyul of the Korean People's Security Forces affirmed his loyalty to Kim Chong-il: "By wisely leading our revolutionary armed forces and garnering immortal achievements that will handed down eternally generation after generation, the respected and beloved comrade supreme commander receives the absolute support and trust of our people and the revolutionary peoples of the world.... In the future, too, we will highly revere the respected and beloved comrade supreme commander with loyalty and filial piety and fight tenaciously to expedite the ultimate victory of the chuche revolutionary cause."

As repayment for loyalty, Kim Chong-il on 23 April promoted 664 general-grade officers. Typical supporters included: Paek Han-nim, Kim Tu-nam, Yi Ul-sol, Chu To-il, Kim Pong-nyul, Kim Kwang-chin; Yi Tu-ik, O Kuk-nyol, Kim Kang-hwan, Kim Il-chol (general), Choe Sang-ok, Yi Pong-won (party military committee, general), Yi Hung-sun, O Ki-su, Chon Pyong-ho, Yi Ha-il, Kim Ha-kyu, Kim Kyok-sik, and Won Ung-hui.

Problem of Broad-based Popular Support

Next is the problem of support of the people for Kim Chong-il. That is, only a person who enjoys the supports of the people can lead the "army of the people." Of course, under present circumstances it is very difficult to accurately assess this problem, but assessments based on indirect analysis can be broadly divided into two kinds.

First, from the negative aspect is the supposition that the people attribute the economic stagnation that began in 19t4 to Kim Chong-il's wasteful, uneconomical construction projects and doubt his qualifications as an economist. Because of the decline in his popularity among the masses, Kim Chong-il hates to speak to the masses and he concentrates only on organizational problems.

Second, on the positive side, there is the assumption that Kim Chong-il enjoys the respect of the masses because he does a good job of taking care of difficult jobs in a timely manner by "being bold and doing things in a big way," and that in the arts field especially he has demonstrated outstanding ability and greatly contributed to enhancing the state's pride and unity and that he has contributed to the development of the state by his practical guidance.

In general I believe the North Korean people believe the second thesis. This is because the North Korean people recognize that Kim Il-song and Kim Chong-il and other leaders are born naturally endowed with special abilities, and they regard it as taboo to challenge authority or contradict Kim Il-song or Kim Chong-il. The people believe that there is no life without belief in Kim Il-song and Kim Chong-il. Therefore, they believe and obey the fabricated myths as they are. Once a belief is formed it is not suddenly broken. The people themselves will not break it. This is because the terror that will strike after the myth is shattered is more frightening.

The people consider "being loyal generation after generation" as a kind of family system in which the son takes over the work the father used to perform. It is akin to "the miner's son becomes a miner and the lathe operator's son becomes lathe operator." In my view, because in North Korea the support forces of Kim Il-song and the support forces of Kim Chong-il do not exist separately, the support of the people for Kim Chong-il will continue.

Also, Kim Chong-il has put into practice through working guidance the "revolutionary mass line," which has been stressed since the North Korean socialist revolution. Kim Il-song spends two-thirds of the month in the provinces conducting on-the-spot guidance. These facets of Kim Il-song function to maintain the loyalty of the masses and are reasons he has come to be regarded as a deity. Kim Chong-il, through his "working guidance," is following in the footsteps on Kim Il-song. Kim Chong-il freely uses his unique governing methods by taking advantage of the economic privation of the people and elicits obedience by means of a "cost-benefit calculation." He carries out "gift offensives," one of the methods of encouraging loyalty, thereby proving to the people their impression that he is the "benevolent" leader who worries about even the most minute details. For example, on every birthday of Kim Il-song and Kim Chong-il and at times of personal happy events such as giving birth to quadruplets, Kim Chong-il elicits deep emotions among the people by sending unprecedented gifts.

For these reasons, the North Korean people think of Kim Chong-il not as the son of Kim Il-song, but as a "comrade who is always near them and who listens to and solves all problems." I believe to be in error the judgment that eventually, when Kim Chong-il will no longer have Kim Il-song, the North Korean people will awaken from the myth and this, in turn, will lead immediately to a collapse of the system.

Conclusion

Kim Chong-il in his capacity of supreme commander of the KPA and marshal of the DPRK issued an "order" decreeing as of 23 April 1992 the promotion of 16 generals including Tae Pyong-nyol, 28 colonel generals including Kim Ha-kyu, 96 lieutenant generals including Kim Tae-sik, and 524 major generals including Yi Hyong-sop. According to the 24 April 1992 issue of NODONG SINMUN, Kim Chong-il "pinned the gold star medal and the hammer and sickle gold medal on the chests of our old anti-Japanese warriors, the first generation of our revolution, and congratulated them...Following this, Comrade Kim Chong-il, the supreme commander of the KPA, conferred the star of marshal of the DPRK on Comrade O Chin-u and the star of vice marshal of the DPRK on Comrade Choe Kwang ...." According to the 26 April issue of NODONG SINMUN, Kim Chong-il at a military review held on 25 April to celebrate the 60th anniversary of the founding of the KPA, Kim Chong-il send congratulations "in his live voice" saying "glory to the officers and men of the heroic KPA." By his "promotion order," "bestowing of rank insignia," and "live voice congratulations, to the military as in the above examples, Kim Chong-il began to exercise authority as the supreme person in charge of military authority in name and reality.

Of course such incidents do not mean that Kim Chong-il has taken over complete control of the military. This is because he still does not possess the "legal position" for framing actual military policy—such as chairman of the party central committee military affairs committee or chairman of the national defense commission. Also KPA Chief of Staff Choe Kwang on 25 April 1992 gave a speech titled "The KPA, Which Has a History of 60 Years of Glory, Is the Invincible Revolutionary Armed Force of Our Party." In the speech he displayed his dissatisfaction with Kim Chong-il's control of military authority by tediously explaining only about the contributions of Kim Il-song to the military and referring to Kim Chong-il only one time. This should be understood as an expression of dissatisfaction with the recent changes in North Korean policy toward the South, the United States, and Japan, which Kim Chong-il is believed to be initiating, rather than dissatisfaction toward the Kim Chong-il succession itself.

As noted above, however, Kim Chong-il is still in the process of "becoming the *suryong*" and garnering the people's support. Therefore, as long as he does not undertake some strange act such as a sudden reform or an open-door policy that would destroy the system itself, prospects are that the North Korean army, the "army of the leader, the army of the party, the army of the people," will be loyal to Kim Chong-il.

Brunei, Malaysia & Singapore

Malaysia

Government, Kelantan Disagree Over Dam Project

Government Ultimatum Issued

BK0907135492 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 9 Jul 92

[Text] The Kelantan State Government must withdraw all actions that hamper implementation of the Pergau hydroelectric dam project as a precondition to any discussions with the federal government. Stating the federal government's stand on the issue, Finance Minister Datuk Sri Anwar Ibrahim said discussions could only be held if there was no pressure or threat from any side. Prime Minister Datuk Sri Dr. Mahathir Mohamed had also made it clear that the federal government could not hold discussions with the Kelantan Government on the project if there was pressure. Datuk Sri Anwar said there is no other condition. Do not interfere with the project!

He was clarifying the government's stand on the 1.3 billion ringgit project disrupted as a result of the latest action by the state government. In its latest attempt to hamper the project, blockades were placed on roads leading to the project side in Jeli District. This, Kelantan Menteri Besar [Chief Minister] Haji Nik Abdul Aziz Nik Mat said, was to remind the federal government that an agreement on the project had yet to be signed with the state government.

Datuk Sri Anwar, who was directed by the cabinet yesterday to handle the Pergau issue, told a news conference that he wished to reiterate the Finance Ministry's stand that the door to negotiations is always open. But, the discussions must be held in a conducive atmosphere without any party being pressured or threatened and work on the project continues without interruption. He cited the case of the federal government's takeover of the Sabah gas project as an example where negotiations with the Sabah government were held in a conducive atmosphere. The decision, he said, benefitted both the federal and Sabah governments.

Kelantan Threatens Further Action

BK1007045092 Hong Kong AFP in English 0413 GMT 10 Jul 92

[Text] Kuala Lumpur, July 10 (AFP)—Malaysia's Kelantan state government, which has blocked roads to a massive dam project, has threatened further action if the federal government does not sign by Thursday a pact that will back the state's claim for compensation, a news reports said Friday.

Nik Aziz Nik Mat, chief minister of the northeastern state ruled by the opposition party, issued the one-week ultimatum after the federal government stood firm that there would be no negotiations unless the blockades were dismantled.

"We will proceed with our next course of action if the federal government does not respect the ultimatum," Nik Aziz said in Kelantan late Thursday.

The 1.3 billion Malaysian dollar (520 million U.S.) hydroelectric dam is an essential element in plans by Tenaga Nasional, the national electricity firm, to double Malaysia's generating capacity to 10,000 megawatts over the next 10 years to meet rising power needs.

Construction work on the dam, due for completion in 1996, is being undertaken by Kerjaya-Balfour Beatty Cementation, a joint venture between British civil engineering contractor Balfour Beatty and a Malaysian-owned firm, Kerjaya Binaan.

Kelantan, the only Malaysian state ruled by the radical Partai Islam (Islamic Party), has since last week blocked off two key roads to the dam to back a claim for 90 million dollars (36 million U.S.) in return for water rights linked to the project.

The federal government has said the sum was unreasonable.

Prime Minister Mahathir Mohamad late Thursday said the federal government was not prepared to discuss the issue under pressure from the Kelantan Government.

"We can't talk at this time as we can't negotiate under pressure," local newspapers quoted Mahathir as saying.

Najib Tun Razak, head of the powerful youth wing of Mahathir's United Malays National Organisation (UMNO), late Thursday described the blockading by Kelantan as economic sabotage.

Finance Minister Anwar Ibrahim, directed on Wednesday by Cabinet to settle the matter with Kelantan, said the federal government would only negotiate after the barricades were removed.

"It is not proper for the state government to set up blockades to press its demands. It is not how a civilised government should act," Anwar was Friday quoted as saying.

But Nik Aziz said the barricades would only be dismantled if the federal government abides by its ultimatum and signs the agreement by Thursday.

When asked what his next course of action would be, Nik Aziz said: "Wait and see. You will know when the time comes," the English language THE NEW STRAITS TIMES daily reported.

A total of 1,800 people are working on the project, 75 kilometers (46 miles) southwest of the Kelantan capital of Kota Baharu.

"We have to be firm in our demand for the compensation because the money belongs to the Kelantan people," Nik Aziz said.

One-Year Work Pass for Foreigners Approved

BK1007093292 Kuala Lumpur BERNAMA in English 0832 GMT 10 Jul 92

[Text] Kuala Lumpur, July 10 (OANA-BERNAMA)—Foreigners will be allowed to work in small factories, restaurants and petrol stations on condition they get special permission and abide by the conditions of the Immigration Department, Deputy Prime Minister Ghafar Baba said Friday.

Ghafar, who is chairman of the cabinet committee on foreign workers, said the committee met Thursday and decided that they be given a one-year work pass which might be considered for extension. He said that at the same time employers should not throw out local workers in favour of foreigners and if there was proof of this, the government would act and ensure that Malaysians were given priority.

The government decided that foreign workers be allowed to work in such places because many would close down without them. From now on any foreign worker who entered the country illegally would be deported without any ceremony, he said. He said up to Thursday, a total of 437,466 foreign workers had registered and they had travel documents in lieu of passports.

They were allowed to work in this country but at places where they first sought employment and should not move from one employer to another, Ghafar said. He said that while the operation to nab those who had not registered was in full swing, some 50,000 had left Malaysia voluntarily as they did not want to register or be detained. At present 1,518 foreign workers who had not registered were being detained at the various centres but some of them had not renewed their work passes.

If they renew their passes, the number being held would be further reduced, he added. However if employers wanted those who were still under detention, they could take them but on condition they leave Malaysia first and return with valid travel documents. This was because the June 30 deadline for registration had passed, he added.

So far 10 members of a syndicate bringing in foreign workers illegally into the country had been detained and they were all Malaysians, Ghafar said.

On the question of foreign workers in the fisheries sector, Ghafar said this was difficult to ascertain but it would be discussed with the Agriculture Ministry and if necessary a special set of regulations would be drawn up for this sector.

Cambodia

1,527 NAIC Troops Placed in Cantonment

BK1007104692 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 10 Jul 92

[Text] A ceremony was held to disarm and regroup some 1,527 National Army of Independent Cambodia [NAIC] troops with 1,126 firearms on the morning of 9 July at the Kon Kreal regrouping center, which is controlled by the NAIC of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party in Oddar Meanchey Province. The ceremony was presided over by Prince Norodom Sereivut, the representative of Prince Norodom Ranariddh—chairman of the FUNCINPEC party—and Lieutenant General Toan Chay, chief of the NAIC General Staff. Also present were all NAIC commanders, several FUNCINPEC party officials, and General John Sanderson—commander of the forces of the UN Transitional Authority in Cambodia [UNTAC]—and his aides, as well as representatives from other factions.

On that occasion, in the presence of Gen. John Sanderson, Lt. Gen. Toan Chay presented a speech saying: We, Cambodians, are currently in the most difficult situation of seeking and strengthening mutual trust. To foster the trust and to avoid causing trouble for the United Nations, we insistently propose the following two conditions:

1. The United Nations is requested to help make all the Cambodian parties demobilize their forces 100 percent prior to elections.
2. We beg the United Nations to do whatever it can, in a humanitarian manner, to gather and separate Vietnamese civilian refugees, who have illegally taken refuge in Cambodia, before the elections.

The general pointed out: Although those issues are not included in the document for a settlement of the Cambodian problem, they constitute, however, a springboard to making the future elections in Cambodia unfree and unjust. He added that he was very happy to cooperate with UNTAC, which is striving to do its utmost to help Cambodia recover peace and achieve national reunification.

Taking the floor, Gen. John Sanderson said: The Paris accord was accepted by all the Cambodian parties on 23 October 1991. The accord has a great many aspects, but the most important one is that we are to restore peace and security to Cambodia and to assist the Cambodians, who have struggled for years, in achieving national reunification. He praised the NAIC for its heroism, courage, and sacrifices for peace and national reunification and its close cooperation with UNTAC.

The ceremony concluded in an atmosphere of overwhelming joy and cordiality.

Khieu Samphan Addresses 8 Jul SNC Meeting

BK1007030792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Jul 92

["Excerpts of address by His Excellency Khieu Samphan, head of the party of Democratic Kampuchea and member of the Supreme National Council of Cambodia, at the Supreme National Council—SNC—meeting held on 8 July 1992 at the Khemarin Palace"—read by announcer]

[Text] The Party of Democratic Kampuchea [PDK] fully supports the Paris agreement. As we have all along announced time and again, we will not turn away from this stance. It is our firm and resolute stance.

Again recently, we stressed that the Paris agreement is our law. In this spirit and with determination to sincerely cooperate with the UN Transitional Authority in Cambodia [UNTAC] so as to implement the Paris agreement correctly, impartially, and comprehensively, we have proposed the most immediate implementation of the following two key points of the agreement:

1. The supervision on the withdrawal of all categories of foreign forces from Cambodia and their nonreturn.
2. Measures to enable the Supreme National Council [SNC] to fulfill its mandate as the legitimate body and unique source of power in Cambodia during the transitional period.

Only after these two key points are implemented can we enter the second phase, proceed with an impartial implementation of the Paris agreement, and carry on work to bring about mutual trust, which is the essential factor for national reconciliation and a neutral political atmosphere. Otherwise, there can be no free and fair general election.

The PKI proposed two point on 27 June 1992 with a sincere desire to bring about the implementation of the Paris agreement quickly, comprehensively, and on an equal footing.

The first and most important point was additionally stressed and elaborated in my letter dated 3 July 1992 to His Excellency Yasushi Akashi, special representative of the UN secretary general and head of the UNTAC, and in our communique issued on the same day.

All sides have agreed with us that during the transitional period in line with the Paris agreement, there should not be any government in Cambodia; there should be only a particular authority, that is the SNC and UNTAC, whose tasks are to closely cooperate with each other.

Some opinions claimed, however, that the so-called Phnom Penh government [PPG] should be maintained because it is the existing administrative structure. Such opinions are unreasonable because the government is a political body while the administrative structure is the technical mechanism to execute work. These opinions run against the essence of the Paris agreement and international law. There is a clear political aim behind such an interpretation.

The Cambodian people cannot accept this. Such opinions cannot bring about peace, independence, and national reconciliation in Cambodia. By conducting a referendum just in Phnom Penh alone, one can get a clear answer. The so-called PPG has been installed by foreign forces, that is the Yuon [derogatory term for Vietnamese] aggressors, for serving their aggression and occupation of Cambodia. The Cambodian people both in the cities and in the countryside have suffered daily due to the massacres, mistreatment, arrests, imprisonments, and violations of human rights by the so-called PPG.

Our 27 June 1992 proposal is correct and in line with the spirit and essence of the Paris agreement. It is a just and reasonable proposal. Only by correctly following this proposal can the Paris agreement be implemented correctly, impartially, comprehensively, and on an equal footing. Only by so doing can we quickly reach the second phase.

The second phase is a part of the Paris agreement that the PDK has never rejected. But to enter the second phase without implementing the two key points, particularly the point which says that there should not be any government in Cambodia, would be tantamount to allowing the so-called PPG to be in control. To be more clear, it is tantamount to handing over Cambodia to Vietnam because this so-called PPG has been installed by Vietnam and it serves only Vietnam. If this so-called government is maintained, there can be no supervision of the withdrawal of foreign forces and their nonreturn, nor a neutral political atmosphere, which is the essential factor for a free and fair election. This is because the so-called PPG has hidden foreign forces in Cambodia and allowed the continuous flow of Vietnamese immigrants into Cambodia.

According to reliable sources, at present, 700,000 Vietnamese immigrants have been given Cambodian nationality. Has the UNTAC checked this matter? Has the UNTAC considered taking any measures to settle this matter? What should be done to end this Vietnamization policy if the so-called PPG, the Vietnamese tool, is not removed?

This is a vital problem that must be resolved immediately and can no longer be ignored. It is regrettable that the Tokyo unofficial document did not mention this urgent matter.

The PDK only wants a just solution so that the Cambodian nation and people can, as they wish, exist in peace, honor, independence, and national reconciliation together with all nations around the world.

We have announced frequently that Cambodia in the future must have a multi-party liberal democratic system and market economy within the framework of a genuine national reconciliation and respect for all human rights.

The Paris agreement is a compromise accord for a comprehensive solution to the dispute in Cambodia. It is not an agreement to let any party gain the upper hand over or dominate another party. It is a proper compromise with honor. This agreement should be implemented comprehensively.

The question raised by the PDK involves not just the PDK nor it is for the personal benefit of the PDK. It is a question which directly involves the survival of the Cambodian nation and people.

If the Paris agreement is not implemented correctly, comprehensively, and on an equal footing, the goal of the agreement will not be achieved. Cambodia's peace, independence, and national reconciliation will not be achieved. In such a case, Cambodia will become a second Kampuchea Kraom, and within only 20 to 30 years, the Cambodian nation will collapse. No Cambodian, whoever he may be and wherever he is—inside or outside the country—can accept this situation.

Our PDK cannot defy this aspiration of the Cambodian people.

UNTAC Accused of Aiding Vietnamese Settlers

BK1007044392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Jul 92

[Text] Over 1,000 Cambodian people and over 500 Vietnamese immigrants are disputing rights to a small plot of land in Phnom Penh. How will the UN Transitional Authority in Cambodia [UNTAC] and the Supreme National Council [SNC] solve this problem?

According to reliable sources in Phnom Penh, over 500 Vietnamese immigrants and over 1,000 Cambodian people are disputing rights to a small plot of land in the southeastern part of Kambodiana Hotel in Phnom Penh.

The sources said that since the UNTAC has announced repeatedly that there are no Vietnamese in Cambodia and has not taken any action concerning the presence of all categories of the Yuon [derogatory term for Vietnamese] aggressor forces, the Hanoi leaders have sent more Vietnamese nationals to settle in Cambodia as part of their strategy to annex Cambodia and the Cambodian race.

In Phnom Penh alone, there are Vietnamese settlers everywhere, even in its suburban areas. Still, there is not enough space for them to stay. The report said that the Hanoi authorities sent these 500 Vietnamese to Phnom Penh to settle down in the plot of land in front of the Basak River. In this small area alone, which consists of only a few hundred square meters, there are 500 Vietnamese settlers. Just imagine how many Vietnamese settlers are now in the whole of Phnom Penh city?

The sources added that the UNTAC knows well about this matter and has even allowed these Vietnamese nationals to own this plot of land under the program for the so-called homeless Vietnamese.

We would like to raise these questions to the UNTAC: Is it because the Vietnamese nationals, sent to annex Cambodia by the Hanoi authorities, have more right than the Cambodian people—the owners of the country—that the UNTAC has allowed them to live on Cambodian soil? How about the Cambodians who fled from their country because of the Vietnamese invasion; why have they not been given permission to live on their own Cambodian land? Can this problem be resolved through the withdrawal of two million Vietnamese nationals and permission for the 300,000 Cambodians to return to live in their villages and districts?

The question is whether the UNTAC has come to cooperate with the SNC in resolving all problems in line with the Paris agreement or has joined hands with the Yuon aggressors and the puppets—Yuon lackeys—in realizing their strategy to annex Cambodia and the Cambodian race.

'At Least' 25,000 Members in Son Sann's Party

BK1007090892 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 10 Jul 92

[Text] The board of directors of the Buddhist Liberal Democratic Party [BLDP] held a two-day meeting in Phnom Penh on 6 and 7 July to adopt the party's statute and to decide on a number of issues to be carried out by the party. The board, made up of 30 members, held the meeting under the chairmanship of His Excellency Son Sann, BLDP chairman.

The BLDP was created at the second national congress of the Khmer People's National Liberation Front held in Phnom Penh on 21-22 May 1992. At present, the BLDP, whose headquarters opened in Phnom Penh on 22 May 1992, has at least 25,000 members in the capital city. The BLDP, which the Cambodian people generally call Grandpa Son Sann's party, plans to start immediately setting up branches in all Cambodian provinces so as to muster new members and protect all members or supporters from being harassed by officials of any ruling party.

Sihanouk Lauds Ranariddh for Banning Logging

BK1007100892 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 10 Jul 92

[Message from His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, to Prince Norodom Ranariddh, president of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia and SNC member; date not given—read by announcer]

[Text] I, Samdech Euv [Sihanouk's popular appellation], wish to heartily thank and sincerely and warmly extol you for your decision, with courage and high patriotism, to ban logging and timber exportation from the regions controlled by the National Army of Independent Cambodia of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia and your project to plant saplings. This patriotic gesture should be further commended because it emerges at a time when all political parties in our country are in need of funds for running in elections.

I wish to respectfully express my profoundest affection to you.

[Signed] Norodom Sihanouk

Indonesia

'Closed Trade Policy' on Raw Materials Decried

BK1007065892 Hong Kong AFP in English 0408 GMT 10 Jul 92

[Text] Jakarta, July 10 (AFP)—Indonesian Trade Minister Arifin Siregar has hit out at Japan's closed trade policy which hits primary product imports.

He made the criticism after a meeting with a Japanese trade and investment mission here Thursday, THE JAKARTA POST said Friday.

"Japan's new trade policy is directed more to the producers of electronics porducts, vehicles and services," he said. This would benefit only industrialised countries, he added.

Indonesia, whose main exports were primary products, would not benefit.

"Agricultural products such as rice and tea are still highly protected and we cannot expect any change in this sector," Siregar said.

The Japanese Government used both tariff and non-tariff barriers to protect its farm products, including imposing a 2.5 percent import duty on unpacked tea and 14 percent on packed tea as well as special quarantine and sanitation requirements covering imported fruit, flowers and vegetables, he said.

President Suharto Urges People To Preserve Energy

BK0907105592 Jakarta ANTARA in English 1017 GMT 9 Jul 92

[Text] Bengkulu, July 09 (EARTH WIRE/ANTARA)—President Suharto appealed to the people on Thursday to help conserve the country's energy sources in their day-to-day life, asking them to make energy conservation a part of national development in Indonesia.

The president made the appeal when inaugurating various development projects in Tes Village, Rejanglebong Regency, Bengkulu.

Suharto said that energy should be used efficiently in the production and transportation sectors as well as in household activities.

To date the use of energy has been very inefficient, the head of state said.

We consume too much energy for unproductive activities, he said adding that Indonesia is rich in natural resources but is also a big population which has high energy demands.

If the natural resources are not properly used, they may not be adequate to support life in the nation, the president reminded.

Natural resources should therefore be managed effectively and efficiently by preserving renewable resources and conservative use of unrenewable ones.

Efficiency and effectiveness should become an aim for all efforts to utilize natural resources for development so that the resources can be used for as long as possible and provide the biggest possible advantage, Suharto said.

According to the president, the need for energy, particularly electricity increases drastically in line with growth in industries and the increasing welfare of the people.

He said the need for energy in the future will therefore increase very rapidly.

The government alone cannot meet the people's need for energy. For this reason, the government is opening up big opportunities for the private sector to take part in the developement of power plants.

Because power projects need large investments the government has issued a special regulation governing private investment in power projects. The government has also issued special regulations on the utilisation of geothermal energy as energy sources for power plants.

While in Bengkulu, the president simultaneously inaugurated a number of development projects which include the Tes hydro electric power plant and its transmission network from Tes to Bengkulu, a transmission network project from Bukit Asam to Baturaja, Kota Bumi and Bandar Lampung, a rural electricity project to supply electricity to 173 villages in 33 districts within the Bengkulu province, a crumb rubber factory run by the state plantation corporation XXIII and a fishing port on Baai Island.

According to President Suharto, the newly-inaugurated development projects prove that the government does not only develop large scale projects but also small scale ones which are of direct benefit to the general public.

The plantation project, for instance, opens new job opportunities to many people. Moreover, the project is managed under a nucleus estate scheme which gives opportunities to capital owners, local people and farmers involved in the project to enjoy the profits.

Such a working pattern results in a close and natural interdependency between the big people and small people—the capital owners and the workers—the head of state said.

This type of partnership in which no one exploits the other but rather supports each other for mutual benefit should be extended into many other sectors of production, he said.

Prosecutor Seeks Term for Irian Rebels Supporter

BK0907132192 Jakarta THE JAKARTA POST in English 27 Jun 92 p 2

[Text] JAKARTA (JP)—A 51-year old Irianese man is facing a possible six-year jail term for supplying various materials to the separatist Independent Papua Organization (OPM).

Prosecutor R. Sihite said in his sentence demand at the Jayapura District Court Thursday [25 June] that the defendant, identified as GP, had been found guilty of supplying various necessities to the OPM guerrillas and he urged the judges to sentence the man to six years imprisonment.

The defendant, who had pleaded guilty to the charges, received a letter sent by an OPM leader, Sony Seseray, in October last year requesting that he provide the group with several goods.

GP then sent the guerrillas, who are hiding in Boda village at the Irian Jaya-Papua New Guinea (PNG) border, various goods such as lubricating oil for guns, cigarettes, sugar, coffee, facial powder and eucalyptus oil through a middleman named Yeheskiel Patai, Sihite said.

The prosecutor continued that GP had been warned by his wife and friend Yohanes Seseray not to agree to the request because it was against the law. But the defendant ignored the warnings.

GP received another letter from Sonny Seseray a few weeks later informing him that the OPM had received the goods. In the same letter Sonny also asked the defendant to send them sarongs, batik clothes and some bottles of liquor. But the defendant did not send them the goods because he had no money to buy them.

Sihite said that several witnesses including Daniel Wanggai, Yohanes Seseray, Yeheskiel Patai and Sudiro Asmoyong had testified that GP was guilty of helping the OPM guerrillas.

Dili Court Jails East Timorese for Dili Incident

BK0907103492 Jakarta ANTARA in English 1000 GMT 9 Jul 92

[Text] Jakarta, July 9 (OANA/ANTARA)—Bonifacio Magno Pareira, 35, a Timorese who was involved in the November 12, 1991 incident in Dili, East Timor, has been sentenced to six years in jail by a panel of judges presided over by A. Ratu Tanaboleng in the Dili district court, Wednesday.

The sentence was one year less than that requested by the prosecutor, I. Ketut Swara.

According to Ratu TanaBoleng, Bonifacio has been proved guilty of being involved in activities which attempted to separate the Indonesian youngest province, East Timor, from the Republic of Indonesia.

Bonifacio who was accompanied by his lawyer Ponco Atmono, during the trial, accepted the sentence and he apologised to the Indonesian Government for his involvement in the unexpected bloody incident which resulted in around 50 deaths and 90 injuries.

Bonifacio was a main advisor in the "Fitun" Group, an organisation which is closely related to Comite Executio (CE) [Executive Committee] chaired by Constancio Pinto who is still at large.

Both two organisations have the same objective of separating the East Timor from Indonesia.

East Timor Youth Given Jail Term for 1991 Assault

BK0907103992 Jakarta SUARA PEMBARUAN in Indonesian 27 Jun 92 pp 1, 16

[Text] Dili, 27 June—The Dili District Court on Thursday afternoon sentenced Jacob da Silva, 27, one of the defendants in an assault at Motael Church on 28 October 1991, to two years in jail. Prosecutor Lucas Saul Master of Law demanded that the defendant be given a four-year jail term. The verdict was read out alternately by P. Sinaga Master of Law as the presiding judge and A.B. Raja Master of Law and Suharyanto Master of Law as members.

According to the presiding judge, the defendant was found guilty of taking part in an assault on Alfonso Henriques, a youth who supported the incorporation of East Timor into the republic. The latter died on the spot.

Jacob da Silva stood trial before the Dili District Court along with his two friends Alexio and Bonifacio Barreto alias Cobra. The two friends were respectively sentenced to two years and three months and one year and eight months in jail. The three youths beat Alfonso to death during a brawl at Motael Church at 1:30 am on 28 October 1991. Two other Henriques (supporting the incorporation) and Sebastiao Gomes (against the incorporation) youths were also killed in the incident.

According to the judges, a "war of words" took place between the two youth groups on 26 October 1991 prior to the 28 October brawl. Another "war of words" ensued in the wee hours of 28 October and ended in a brawl.

Laos

Committees Discuss Lao-Vietnamese Border Issues

BK0907105492 Vientiane KPL in English 0903 GMT 9 Jul 92

[Text] Vientiane, July 9 (KPL)—The border committees of Laos and Vietnam met here on July 8 to discuss border matters of mutual concern.

Taking part in the meeting on the Lao side was Mr. Soulivong Phasitthidet, deputy minister of Foreign Affairs, and on the Vietnamese side was Mr. Minh Hien, head of the border committee of the Council of Ministers of the Socialist Republic of Vietnam and senior officials of the two sides.

The two sides discussed [word indistinct] border contact, border trade, and the prevention of undesirable events along the border.

210 Repatriates Return From Thailand Camp

BK0907114292 Vientiane KPL in English 0907 GMT 9 Jul 92

[Text] Vientiane, July 9 (KPL)—Savannakhet Province has recently welcomed the voluntary repatriation of 33 families of 105 Lao refugees from the Na Pho camp, Thailand, and 23 families of the same number of repatriates from China.

The repatriates are the fifth batch from Thailand and the third batch from China since 1992.

The eight batches of the repatriates total 806.

Another 120 Refugees Return

BK1007083692 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 9 Jul 92

[Text] In late June, the Champassak Provincial Administration received 120 more voluntary Lao repatriates from the authorities of the Thai northeastern border province of Ubon Ratchathani. The hand-over ceremony was held in the presence of a representative of the United Nations High Commissioner for Refugees Representation Office in Laos.

Most of these repatriates are former residents of Champassak Province while only 15 are of Saravane Province.

Philippines

U.S., Japan Urged To Intervene in Spratlys Issue

HK1007034592 Manila THE CHRONICLE in English 10 Jul 92 p 1

[By Elizabeth Perez]

[Text] The United States and Japan should intervene to bring about a peaceful settlement of the dispute over the Spratly Islands, a congressman close to President Ramos said yesterday.

Ren [Representative] Eduardo Ermita (Lakas-NUCD [Strength-National Union of Christian Democrats] Batangas) said that "as a potential flashpoint in the (East Asian) region, the Spratlys must now be placed under a two-tiered diplomatic effort, one directed towards a regional agreement, and the other towards a superpower agreement."

He said that statemnets from member-countries of the Association of Southeast Asian Nations [ASEAN], which include the Philippines, would not be sufficient to end the dispute.

The Spratlys, located off the western coast of Palawan, are being claimed by at least six countries, namely, Malaysia, Taiwan, the People's Republic of China, Vietnam, Brunei and the Philippines.

The area is believed to be rich in oil and mineral deposits.

"Among the claimants, we are at present the least military prepared to defend or assert our interests in the area, and therefore, we must urgently press this initiative," said Ermita, a retired army general and former defense under-secretary.

He added that the Philippines could not "realistically" invoke the Philippine-U.S. Mutual Defense Treaty in bolstering its claim over the Spratly Islands because the treaty had been premised on Cold War between the superpowers, which has ended.

He suggested that the two-pronged diplomatic formula be explored in the forthcoming Asean ministerial meeting from July 21 to 26, which will be anttended by foreign ministers of the six Spratly claimants, as well as the United States and China.

"I believe that this is the best time to address this problem. The ministerial meeting should focus its agenda on the comprehensive diplomatic solution to the dispute, which will serve Philippine economic interests in the long term," Ermita said.

He said that since China is reported to have enlisted a U.S. firm—the Creston Energy Corp. to conduct oil explortation in a zone claimed by Vietnam, the dispute "now involves a wider range of interests transcending the (ASEAN) region."

Ermita expressed alarm over the recent shooting incident in the Spratlys between Vietnamese and Chinese guards, which he said could erupt into a full-blown confrontation if not addressed.

Foreign Secretary Raul Manglapus said the Spratlys may be discussed with Chinese Foreign Minister Qian Qichen, who is coming on an official visit before the ASEAN meeting.

"I expect the matter might come up. We will inform him of our position, that we would like to see a peaceful solution to the matter," Manglapus told reporters.

Asked if the Spratly dispute would be discussed in the ASEAN meeting, Manglapus said: "It is possible, considering that security will be an important item."

While the dispute is not on the formal agenda of the meeting, it may be discussed within the larger context of security matters and modes of settlement of regional security issues.

"Certainly we favor an international solution to the matter," Manglapus said, stressing that Manila remains keen on pursuing the Indonesia-initiated series of international conference of security issues, including the Spratlys, at the non-ministerial level, Manglapus said.

In February, China passed a law claiming the entire Spratly, but that is "not confirmed in international law," Manglapus said. "Therefore our occupation of the Kalayaan [Freedom] Islands remains our right. We look forward to international understanding (on the dispute)."

Ramos Seeks ASEAN Role in Spratly Dispute

HK1007041692 Hong Kong AFP in English 0336 GMT 10 Jul 92

[Text] Manila, July 10 (AFP)—Philippine President Fidel Ramos called on the Association of Southeast Asian Nations (ASEAN) Friday to play an active role in regional security and address the worsening dispute over the Spratly islands.

The former defense chief said in a speech to armed forces officials that the six-member ASEAN "can provide the forum and the structure within which regional security concerns can be addressed."

"Through ASEAN certain initiatives can take shape and prosper, and this can range from a more creative approach to defense-industry complementation to the formulation of a collective posture on every common issue," he said.

This could include "a peaceful and circumspect attitude to such a delicate question as the controversial Spratly islands," he added.

ASEAN includes Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. The group's foreign ministers are scheduled to meet here July 21-22, after which they will confer with Western counterparts.

The Spratlys, a desolate but strategically located and reputedly oil-rich archipelago in the South China Sea, are claimed in whole or in part by China, Vietnam, the Philippines, Malaysia, Taiwan and Brunei.

The dispute worsened recently when China signed a contract with a U.S. firm for oil exploration in the Spratlys. Vietnam has accused China of staking claim to another islet in the archipelago over the weekend.

Malaysian Foreign Affairs Minister Abdullah Badawi said Wednesday that the Spratly dispute could be discussed at the Manila meeting.

Ramos, a former armed forces chief elected president last May, sought increased military contacts within ASEAN, including "joint and combined exercises," and a more active role for the Philippines in international peacekeeping missions.

"We need to reasses the responsiveness of our strategic and operational plans...in the light of the changing internal security environment and the emerging geopolitical environment in the Asia- Pacific region," he said.

"The time has come to tell ourselves that all around us the power balance is changing, and as a consequence we must adjust to the post-Cold War realignments," he said.

The Philippines must also adjust to the withdrawal of U.S. forces from the country by year end, he said.

Manila rejected a new 10-year base treaty with Washington last year, forcing American troops to pull out of this former colony.

Ramos reiterated that modernizing the Philippine armed forces, which have badly lagged behind Southeast Asian neighbors' defense establishments, was a "national imperative."

PRC Development Plan Rejected

HK1007020392 Manila Far East Broadcasting Company in Tagalog 0100 GMT 10 Jul 92

[Text] The Philippines has rejected China's declaration of its position in claiming the Spratly Islands in the South China Sea.

Former Foreign Affairs Secretary Raul Manglapus said the Philippines could not accept a proposed joint development under the administration of the Chinese Government.

It can be recalled that the Philippines is one of six countries claiming the islands, which are believed to be rich in oil.

Manglapus said the Philippines is hoping to resolve the issue peacefully even if the first three informal meetings held in Bali, Bandung, and Jakarta in Indonesia have failed. He added that the issue may be discussed at the 25th ASEAN ministerial meeting which is to be held from 21-26 July in Manila.

ROK Interested in Leyte Gold Mine Exploration

HK1007075392 Quezon City MALAYA in English 10 Jul 92 p 14

[By Shalom Mapagu]

[Text] The South Korean government is interested to start a gold exploration project in Panaon Island, Leyte, the Department of Environment and Natural Resourcs [DENR] said yesterday.

A delegation from the Korea International Cooperation Agency [KOICA] recently met with DENR chief geologist Edwin Domingo to start discussing the joint-venture agreement.

Youn-Joon Kim, deputy executive director of KOICA, personnaly headed a delegation.

The new venture is expected to boost the mining industry which has been suffering financial setbacks during the first semester of the year.

Domingo said the Philippine and the Korean governments hope to start exploration activities this September. KOICA's team of geological experts will be assisted by a counterpart team from the Philippines. Philippines experts will help in the analyses of samples gathered.

Evaluation of research findings by the Korean team will be used by the Philippine government to lure mining investors from abroad into seeking joint ventures with Philippine companies.

The 250-square kilometer-island is home to small-sale gold panners operating along the shoreline of the island.

Ocular inspections conducted by DENR discovered the unique underwater mining method employed by small-scale miners who can usually gather sacks of high-grade gold ores in a diving operation.

This would not be the first time the gold-rich island is the subject of exploration. Benguet Exploration used to have a gold- mining operation in the offshore areas of Barangay Pinut-an.

Trade Office Okays Official Visits to Taiwan

HK1007073992 Manila MANILA BULLETIN in English 10 Jul 92 p b-3

[Text] Philippine officials will be allowed to conduct official visits to Taiwan in the future, a trade and industry department official said yesterday.

Only the President, Vice President and two senior government secretaries will be barred from official contact with Taiwan under guidelines forged in February, he said.

The previously unannounced guidelines were in line with Manila's one-China policy which recognizes Beijing as the official government of China and bans any political contacts between Manila and Taipei, the officials said.

Board of Investments vice chairman Tomas Alcantara said that under the one-China policy, Manila was entitled to maintain cultural, social and economic ties with Taiwan, which officials interpreted as allowing official visits by all but the President, the Vice President and the defense ad foreign affairs secretaries.

Asked if the interpretation was acceptable to Beijing, Alcantara said, "We don't have to clear with Beijing what we do."

Ramos Addresses Armed Forces Parade

HK1007041992 Quezon City Radyo ng Bayan in Tagalog 0113 GMT 10 Jul 92

[Speech by Philippine President Fidel V. Ramos during testimonial parade by the Armed Forces of the Philippines in his honor at Camp Aguinaldo, Quezon City—in English, italicized passages in Tagalog; live]

[Text] Vice President Joseph Estrada [applause], Secretary De Villa, General Abadia, Chief Chaplain Zapatos, before I forget, Mrs. Ramos [applause], former President and Mrs. Diosdado Macapagal, the distinguished members of the Senate, I thought I saw Senator Biazon here [laughter and applause], and the members of the House of Representatives, your excellencies of the diplomatic corps, former secretaries of national defense and chiefs-of-staff of the Armed Forces of the Philippines [AFP], fellow veterans [applause], the officers, enlisted personnel and the civilian employees of the AFP, fellow workers in government, my beloved countrymen:

I am here before you, the brave men of the AFP, as your new commander-in-chief. I would like to thank you all for this honor that you have given me this morning during this traditional testimonial parade. But more importantly, I am overjoyed to be back here at this camp, which is for me comparable to a homecoming. [applause]

I stand before you as your new commander-in-chief and at your invitation to this testimonial parade and review, which is for me also a homecoming.

It was only a year ago, almost to the day, that I said goodbye, giving up my office as secretary of national defense, after more than forty years as a constitutional soldier and public servant. From retirement, however, I responded to a new call to higher duty. As a result, this past year for me was a time of extraordinary events, whose outcome has brought me to this day among old friends and comrades, as well as new co-workers in government. Thus once more our paths intersect by the will of our people.

This testimonial parade and review is certainly more than just a military ritual. It rests upon a basic principle of democracy: The supremacy of the civilian government over the military and it affirms the command function of the president over the Armed Forces in his concurrent role as commander-in-chief. It is in this context that by the mandate of our people, I return to establish and exercise that immutable duty with you the officers, the enlisted personnel, the cadets, and the civilian employees of our Armed Forces. I find it reassuring that between us is a shared past, a common experience, a mutual interest, and a calling to which we have dedicated our lives. This makes me realize that as commander-in-chief, I shall be working with familiar associates. I shall be dealing with a defense establishment for whom organizational continuity extends deep in their personal commitments to duty and service.

After this ceremony, I shall in fact convene a working session with the Armed Forces leadership to assess the obtaining situation and current concerns and to outline an action plan that shall place this organization trajectory into the future.

Together we have accomplished a great deal. Together, we shall do a lot more! [applause]

Reforms in the Armed Forces which started soon after the Edsa [Epifanio de los Santos Avenue] Revolution of February 1986 have gone a long way. There has in fact been a qualitative change in the organization in operations; in funds and resources allocation based on the concept of decentralization; in strategic planning; in retiree and service affairs; and, not to forget, the all important civil-military operations program. What now deserves our attention are the scalawags that remain in your ranks. Misfits that tarnish the image of our Armed Forces. Let's get rid of them! [applause]

Here and now, I instruct the chief of staff and all his subordinate commanders to weed out these undesirable elements from the organization. This is a high-priority effort and I will approve no compromise when it comes to dealing with abusive military personnel. [applause]

The highest quality of the soldier, which sets him apart from most civilians, is discipline. And so I call upon all of you, commanders at all levels, as well as the rank and file, to return to basics, which must start with a firm and strong and steadfast discipline within the AFP.

I also remind everyone now of a time-honored concept, which is command responsibility. I am responsible for all of you, for the Armed Forces as an organization. But I also would want to remind all of those in command that they are responsible for the discipline, the behavior, and the performance of their respective subordinates. And so I hold strictly to this principle of command responsibility all commanders in regard to the actuations and the performance of their immediate subordinates. And if these commanders fail to take action, or if they delay in taking action, or if they countenance the abusive behavior of their immediate subordinates, I shall take action to make sure that the high standards of the Armed Forces remain untarnished by way of making sure that not only the offender, but also the immediate commander on top of that offender who does not take action, is equally punished. [applause]

I also see the need for greater interaction between local commanders and their counterparts in the civilian sector to secure our communities, to deliver basic services, and to promote community development.

On a much wider arena we need to reassess the responsiveness of our strategic and operational plans, concepts, and doctrines in the light of a changing internal security environment and the emerging geopolitical environment in the Asian-Pacific region.

The time has come to tell ourselves that all around us the power balance is changing and, as a consequence, we must adjust to the post-cold war realignments. It is against such a backdrop that we need to adjust to the withdrawal of U.S. forces from Philippine bases by the year's end.

In the larger global community, I wish our Armed Forces to continue to develop a greater awareness of relevant opportunities, such as participation in international peace-keeping operations, keeping abreast in technology, and the like. Certainly it helps promote the country's image to have our soldiers and police personnel form part of such UN contingents performing peace-keeping duties as those now in Iraq and Cambodia.

In the special case of ASEAN, the view is now generally accepted that it can provide the forum and structure within which regional security concerns can be addressed. Through ASEAN, certain initiatives shall take shape and prosper and this can range from a more creative to defense industry complementation to the formulation of a collective posture on every common issue, including a peaceful and circumspect solution to such a delicate question as the controversial Spratly Islands. I will encourage wider contacts between our senior military officers and their ASEAN counterparts to strengthen friendships and, perhaps, even conduct joint and combined exercises.

Let me now refer to an urgent organizational concern of the Armed Forces, which is its modernization program. This to me is a national imperative. Of great importance is the need to develop a self-reliant, credible, and capable Armed Forces that is prepared to do its constitutional duty to defend our country's territorial integrity. As commander-in-chief, I will certainly do everything possible, with the support of Congress, to carry out this program with all deliberate speed. [applause]

On this topic, let me mention another principle: Modernization is not only a question of acquiring state-of-the-art military materials and equipment, we must not forget the most important weapon system, which is the individual soldier himself. [applause] The modernization of our Armed Forces must proceed from this benchmark, the development of a professional soldier in all its aspects.

What the Armed Forces leadership must intensify as part of its continuing effort at reform is the concerted attention to change, not only the image of our men and women in uniform but the very substance of what truly makes them professional. In the end, it is the soldier who matters, what is in his or her mind and heart, how he or she relates to duty, to comrades, to people, and to country.

Now, having said all of that, let me now give you some good news. [applause] I know that you did not expect me to come here empty-handed. [laughter] As chief of staff and secretary of defense, I did my part in pursuing certain actions to uplift the status and conditions of our soldiers. In some of my recommendation, I succeeded; in others, I did not, but always for a good reason. From where I stand today as your commander-in-chief, I would like to make good on the most urgent concerns.

Let me start, where I must, with our courageous and great predecessors, the veterans and the retirees. [applause] Here and now, I direct the secretary of national defense and the chief of staff of the Armed Forces to plan out immediately the implementation of a program designed to achieve a rational and realistic adjustment of all benefits, pensions, and other forms of assistance [applause] for our veterans and retirees to achieve the objectives mandated by Section 7, Article 16 of the Constitution. I want submitted to me without delay a proposal to increase the benefits and pensions they receive, including adjustments in the computation thereof, based on present wage pay scales. What I would like to see is a progressive plan that I can submit to Congress for regular budgetary appropriations in 1992 for 1993 and beyond.

Number two. I announce that, pursuant to Republic Act 7180, I hereby direct the chief of staff to implement as soon as possible the increasing of clothing allowance of military personnel [applause] from the present rate of P30 [Philippine pesos] a month to P200 a month.

I also direct the implementation of the increase of quarters allowance [applause] at the rate that shall put the soldier on equal footing with his police counterpart.

And finally, I direct that the Armed Forces resubmit as a priority welfare project for our soldiers the funding requirements for an upgraded pay scale which shall put soldiers pay at par with that already authorized for the Philippine National Police.

Number three. I have approved the recommendation of the secretary of national defense to increase the promotional vacancies from the rank of captain to major to an additional 254 slots. [applause] This should ease the long-standing hump problem that has affected our middle-level officers because of a dysfunction in the promotional system starting in the late 1970's and the early 1980's.

And I suggest the crafting of a better personnel management and administration program to prevent the creation of similar humps in the Armed Forces' rank profile in the future.

Number four. I ask the chief of staff to review and resubmit to the secretary of national defense all legislative proposals pertaining to the following:

A. The creation of new ranks for enlisted personnel at the highest level, [applause] specifically, *wait, first, you haven't heard this yet*, specifically, the class of senior master sergeants and chief master sergeants, to rationalize career opportunities for outstanding enlisted men and women. [applause]

B. The provision of a comprehensive scholarship program for qualified officers and enlisted personnel to enhance their professional qualifications.

C. The enactment of a law that shall provide higher insurance coverage for our men and women in uniform by the Government Service Insurance System, or GSIS, from P12,000 to P50,000 per soldier. Of course, that also includes the cadets and the officers.

There are a few more items that I have in mind for you but let me add one item which is not in the script, and that is, for the secretary of defense and the chief of staff and the senior commanders and staff officers involved, to study without delay, the cases of so-called military rebels that continue to be in detention and to submit to me within 30 days a recommendation for the release of the least culpable among them, so that executive action can set in without the usual delays coming from the judicial processes within the military justice system. Thirty days.

Let us continue to extend the hand of friendship and solidarity to all, especially to our enemies from the extreme left and the extreme right. Those who manifest a willingness to join the mainstream of Filipino society by their adherence to the constitution and by respect for the law, will be given every opportunity to become once more productive and responsible citizens of Filipino society. This I pledge to you.

This morning, we shall meet with the secretary of defense, the chief of staff and key commanders to map out the strategy to unify, professionalize, and modernize the Armed Forces. I am most optimistic that we can accomplish what we aim to achieve in the coming years.

Before I forget, I wish to announce that I have already approved the promotion of eight general officers, five to the grade of lieutenant general or vice admiral, who are the following: Mariano Dumancas Jr, Gumersindo Yap, Proceso Fernandez, Arturo Enrile, and Loven Abadia; to the grade of major general or rear admiral: Romeo Zulueta, Virgilio Marcelo, Epineto Logico, to follow later.

My colleagues and countrymen, as a final remark, I am extremely thankful for the honors you have bestowed upon me. I am happy that we are together again and, through this, I hope we will be united towards development and a bright future for our nation. Long live, all of us. Thank you, and a good day to all.

Central Bank Governor Defends Debt Proposal

HK1007108192 Quezon City MALAYA in English 10 Jul 92 p 13

[Text] Central Bank Gov Jose L. Cuisia Jr yesterday belied claims by some sectors that "the Ramos Cabinet was trying to go around and evade congressional investigation into the details of the debt deal" by scheduling the signing of the debt deal before Congress opens.

He said that in the meeting with the President last Tuesday, July 7, there was a consensus that to sign the deal as early as possible would be to the country's interest because for as long as there is no debt restructuring agreement, the country continues to pay $140,000 (or P3.5 million [Philippine pesos]) a day more in debt servicing which amount could be rechanneled to more productive government activities.

The Cabinet, Cuisia reported, agreed that the continuing emotional debate about the debt issue can distract attention away from more important economic issues, and therefore decided to support the early signing of the debt deal.

Gov Cuisia also belied allegations that Congress was not consulted on the debt deal as he reminded that the joint legislative-executive foreign debt council was created specifically to provide a forum for Congress to be informed and to comment on the debt management strategy of the Philippine authorities. He further said that the council deliberated on the debt package since August, when the package was agreed upon with the banks. He also said that in March 1992, the council endorsed the deal to the then President Aquino, but President Aquino, whose term was to expire before the documents for signing could be ready, decided to give the incoming president the opportunity to review the deal. The council, in its last meeting in June reiterated its support for the debt package and endorsed the same to President-elect Ramos.

The meeting with the President last Tuesday provided the opportunity for this review, which resulted in a decision by President Ramos to direct the secretary of finance and the Central Bank governor to proceed with the signing as soon as possible. The signing is scheduled to take place on July 23.

Ramos Orders Cabinet To Draw Up Economic Plan

HK1007122092 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 10 Jul 92

[Text] President Ramos has ordered the cabinet to draw up a six-year economic development plan to cover 1983 to 1988. Here is Tanny Rodriguez for details:

[Begin Rodriguez recording] In his reaction to the 322.7-billion-peso [pesos] budget for 1993 submitted to him in the last cabinet meeting last Tuesday, the president said the six-year development program should contain the following: encouragement of people-empowerment projects, a list of public investments, yearly programming of investments, including yearly projections for support requirements, and a comprehensive budget that encompasses the national government, government corporations and local government units. [end recording]

Ramos Appoints Former Officers to New Positions

HK1007072392 Manila PHILIPPINE DAILY INQUIRER in English 10 Jul 92 p 1

[Text] President Ramos yesterday tapped three more ex-military officers to manage the Export Processing Zone Authority (EPZA) and two big government corporations.

Ombudsman Conrado Vasquez, meanwhile, paid Mr. Ramos a courtesy call and told him he will pursue the investigation of graft and criminal complaints against seven top officials in the new administration.

Mr. Ramos re-appointed retired Rear Admiral Tagumpay Jardiniano as EPZA administrator. A member of PMA [Philippine Military Academy] Class '57, Jardiniano was former Navy chief and ex-postmaster general.

Renato Valencia, a Vietnam War veteran who mastered in business management at the Asian Institute of Management, was also reappointed administrator of the Social Security System. He belonged to PMA Class '63.

Juanito Ferrer, a retired colonel and former public works secretary, was appointed chairman of the Philippine Veterans Investments and Development Corp.

Ferrer, president of PDP-Laban [Filipino Democratic Party-Nation's Strength] which formed a coalition with the Liberal Party during the May 11 general elections, junked the coalition's candidates and supported Mr. Ramos. Ferrer graduated from the PMA in 1944.

Other new appointees:

—Eduardo Joaquin, a business executive who campaigned for Mr. Ramos in the last election, will serve as general manager of the Philippine Tourism Authority.

—Joemari Gerochi, a former assistant secretary at the Department of Agriculture, was named agriculture undersecretary.

—Manuel Lantin, named one of the 1989 Ten Outstanding Young Men for his work in agriculture, was also designed agriculture undersecretary.

A former Armed Forces chief of staff and defense secretary, Mr. Ramos said he will not pack his Cabinet with former military officers but added they may be appointed to lesser government positions.

Last week, he appointed ex-Gen. Jose Magno, former national security adviser, ex-Brig. Gen. Honesto Isleta, press undersecretary; ex-Maj. Gen. Jose Magno, general manager of the Government Service and Insurance System; ex-Col. Guillermo Cunanan, manager of the Ninoy Aquino International Airport; and ex-Col. Guillermo Parayno, chief of the Bureau of Customs.

During his courtesy call at Malacanang, Vasquez said the President discussed his campaign against graft, corruption and criminality.

But Vasquez said Mr. Ramos made no mention about graft and criminal complaints against seven top officials of his administration.

"He did not ask for anything," Vasquez said. "We did not discuss the graft cases.

Facing graft and criminal complaints with the Office of the Ombudsman are Almonte, Parayno, Defense Secretary Renato S. de Villa, Local Government Secretary Rafael Alunan, Tourism Secretary Narzalina Lim, acting Budget Secretary Salvador Enriquez and acting Solicitor General Eduardo Montenegro.

De villa, Enriquez and Montenegro are accused of malversation of public funds in connection with the alleged diversion of government money for rebel returnees to local officials who were campaigning for Mr. Ramos.

Alunan, had served as acting tourism secretary, is accused of accrediting Rajah Tours Inc. as a travel agency although the firms allegedly failed to meet the department's standards.

Alunan also faces an administrative complaint for allegedly reassigning an official who had recommended the investigation of alleged irregularities at the tourism department. Lim who was also a high official in the same department is a co-respondent.

Almonte, concurrent director of the National Security Council, was convicted of libel in a case filed by Manila Mayor Alfredo Lim. Almonte appealed the verdict.

Parayno faces charges "infidelity in the custody of public documents" in connection with his stint as head of the customs intelligence and investigation division.

Government Board Relinquishes Regulatory Function

HK1007055892 Manila MANILA BULLETIN in English 10 Jul 92 p b-1

[Text] Deregulation has caught up with the Garment and Textile Exports Board (GTEB), which is due to start shedding off its regulatory function.

Ultimately, the GTEB would become a promotional body in view of the Department of Trade and Industry [DTI], Executive Director Aurora Timbol said.

She explained during an interview that although the deregulation programs of the DTI and Board of Investment [BOI] were ongoing, GTEB would focus efforts to promoting markets and quota maximization starting August.

However, deregulating the GTEB should not mean compromising certain things, like condoning smuggling or fraudulent transactions, Timbol stressed.

Under a deregulated era, Timbol said GTEB's regulatory role would become secondary to promotion of foreign market and quota maximization.

The deregulation policy set by Trade Secretary Rizalino S. Navarro aims to accelerate faster deliveries of services and bureaucratic practices.

We are reviewing the GTEB functions which can be relaxed, Timbol said.

Part of the deregulated functions include the accelerated grant of bulk of import scheme for required raw materials for exporters. [sentence as published]

Previously, the GTEB has imposed restriction on the importation of raw materials in bulk.

In addition, the GTEB has reduced the documents required in processing application from some 2,000 garment firms registered with the BOI.

Moreover, the GTEB has been unloading all the quotas to exporters to facilitate maximum and immediate utilization.

Eventually, the deregulation is aimed at further increasing garment and textile exports.

For the first half this year, the industry registered only 6.9 percent increase or 19 percent below of the projected 25 percent increase for this year.

Data from GTEB showed that exports for the January-June period amounted to only $916.769 million from $885.489 million registered in the same period last year.

Of the total exports, the quota countries contributed $764.624 million only, a measly .46 percent mark-up from its last year's record of $761.117 million.

On the other hand, the non-quota countries contributed the highest increase of 46.45 percent on total exports of $182.144 million as against a $124.372 million last year.

Timbol attributed the decrease to the delayed deliveries or unmet orders following the massive power failures that crippled industry operations in the first half this year.

Honasan Said To Send Feelers on Amnesty Program

HK1007091492 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 10 Jul 92

[By Rowena Papasin]

[Text] Renegade Colonel Gregorio Honasan has already sent feelers regarding his position on the government's amnesty program which is currently under study by the government. This was disclosed by a reliable military official source who refused to have his name mentioned. The source said Honasan has sent amnesty feelers to civilian and military authorities.

In spite of this, the official said the operation to capture Honasan's group and other leaders of the Revolutionary Nationalist Alliance is still ongoing. He also expressed doubts about Honasan's sincerity, since the feelers sent just inform the authorities that he remains on the scene and that he can still stand on his own two feet. Honasan emphasized there should be no conditions set for whatever amnesty will be given by the government to rebel soldiers.

The official also said the ultrarightists are still capable of launching another destabilization threat, this time against the Ramos administration.

The government is now studying the feelers sent by Honasan.

NDF Doubts Ramos Ability To Fulfill Promises

HK1007125292 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 10 Jul 92

[Text] The leftist National Democratic Front [NDF] has expressed skepticism that Fidel Ramos will fulfill his promises to improve the lives of the poor in the country.

NDF Secretary General Frank Fernandez said Ramos's promises are subject to doubt, especially since he is known as the martial law implementor and the author of the "total war" policy.

NDF called on Ramos to start fulfilling his promises and stop issuing pro-people pronouncements. NDF said Ramos should free the political prisoners, reinstate the dismissed teachers, abolish the Citizens Armed Forces Geographical Unit and complete the dismantling of U.S military bases still in the country.

Authorities Monitoring Reported Misuari Return

HK1007091192 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 10 Jul 92

[Italicized passage in English]

[Text] The authorities are closely monitoring the reported return of Nur Misuari, Moro National Liberation Front [MNLF] chairman. Up to now, the authorities are still uncertain of the route which Misuari will use for his return. Here is Vic Alvarez with the details:

[Begin Alvarez recording] The Philippine Navy and the Philippine National Police are maintaining a strict watch in Sulu and Tawi-Tawi in light of the reported return of 200 MNLF rebels to Mindanao this July. Southern Command intelligence reports revealed that the MNLF rebels will be coming from Sabah, Malaysia and will be returning to Mindanao as Misuari's advance party and security command. Misuari is reported to be coming back to Mindanao in August. However, the intelligence reports failed to give the entry point which the MNLF rebels and their leader, Misuari, will use in entering the country.

Although the authorities are still uncertain as to the entry point of Misuari and his men, many believe that Misuari will enter by Maimbung, the main headquarters of the MNLF in Sulu. It was also reported that the MNLF rebels will be bringing with them more than 2,000 guns to arm their new recruits.

Meanwhile, to clarify the report on Nur Misuari's return, ABS-CBN has taken the initiative by interviewing him in Saudi Arabia. It was learned that no definite date has been set for his return. He said that although he was ready to return to the Philippines if needed, he still has to attend to other matters in the Islamic states.

[Begin Misuari recording] If need be, I can go home any time; but there is still no need. I still have a lot of things to attend to here in the Islamic states. I have to attend a lot of conferences. But if need be, just as in the past, I will go home immediately. That is for certain. But now is not the time. [end recording]

Misuari also said the Ramos government, to date, still has not put forward any offer of peace.

[Begin Misuari recording] As I have said before, before we...[Misuari changes thought] Because there is what we call a new reality, we need to wait with *folded hands at the moment*. We will have to wait and see what the government's plans really are. In the event that there is really a peace initiative, then we will have to think about our reaction. [end recording]

Senator Offers To Mediate Mindanao Peace Talks

HK1007074192 Quezon City MALAYA in English 10 Jul 92 p 7

[By Mila Velasquez]

[Text] Zamboanga City—Reelected Sen. Santanina Rasul has offered to mediate between the government and the Moro National Liberation Front [MNLF] for a new round of peace talks.

Rasul, who hails from Sulu, the home of the Bangsamoro fighters, said she will exhaust all efforts to convince Misuari to hold peace talks with the new administration.

Rasul's offer to be the conduit in the future peace talks came two days after Misuari announced renewed hostilities because he does not believe in the sincerity of the Ramos administration to solve the Mindanao conflict.

Misuari said Ramos was the chief architect of the Tripoli Agreement which was never implemented.

But MNLF spiritual spokesman Zain Jali denied Misuari ordered renewed fightings in Mindanao.

Earlier this week, a group of Muslim leaders led by Ustadz Abdul Gani Yusop, the grand mufti (bishop) of Western Mindanao, appealed to Misuari to agree to talks with the government.

The one-page manifesto, a copy of which was sent to Misuari in Jeddah, Saudi Arabia, also urged the MNLF to explore all avenues to resolve the 20-year conflict.

The move would result in a lasting peace in Muslim Mindanao, the one-page manifesto, signed by Yusop and 15 other Muslim religious and political leaders, said.

Other signatories include former MNLF field commanders and officials of the defunct regional assembly in Western Mindanao.

Muslim Rebels Said Interested

HK1007105892 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Jul 92

[Text] The Moro National Liberation Front [MNLF] has expressed interest in peace talks with the government. This was confirmed by Senator Santanina Rasul as a way to achieve peace in Mindanao. Senator Rasul also said Muslim leaders in Mindanao met recently and agreed to the peace talks to finally bring development to the region.

Here is Senator Santanina Rasul's statement:

[Begin Rasul recording] There is a possibility. In fact, last year the second-highest official of the Islamic Conference Organization came to Manila and paid a courtesy call on President Corazon Aquino. What was proposed, after visiting the MNLF leaders in Mindanao, was to have a dialogue between the government and MNLF. [end recording]

Muslim 'Reform Group' Expresses Support for Ramos

HK1007072192 Manila BUSINESS WORLD in English 10 Jul 92 p 12

[Text] The Moro National Liberation Front Reform Group (MNLFRG), in a statement yesterday, said it was optimistic that President Ramos will not neglect Mindanao.

Farouk D. Sampao, MNLFRG secretary-general, said Mr. Ramos is a "real presidential representative of Mindanao."

He added, "Pres. Ramos is the only national leader who has a thorough knowledge and understanding of the socio-economic ills that beset Filipino Muslims because he had served for 46 years in the military service where he keenly observed the Muslim's way of life."

Describing Mr. Ramos as "master of the Muslim situation," he said the former defense secretary now has enough powers to remedy the situation and develop the South into a progressive economic zone.

Mr. Sampao said with the establishment of the Malacanang office in Davao, the country will soon become an economic giant in the Pacific as Government will be able to tapped the island's rich resources.

Thailand

Order Giving Post to Supreme Commander Revoked

BK0907133792 Bangkok Radio Thailand Network in Thai 1200 GMT 9 Jul 92

[Text] Montri Chenwitkan, spokesman of the Prime Minister's Office [PMO], told a news conference at government house this evening that Prime Minister Anan Panyarachun had signed PMO Order No. 141/2535 (1992) revoking PMO Order No. 172/2521 (1978) which empowered the prime minister, under Article 4 of the Internal Peacekeeping Act 1976, to have the supreme commander take the post of director of the Internal Peacekeeping Command. Since the situation has now changed and such duties can now be transferred to normal authorized government personnel, the prime minister, therefore, issued the order to revoke PMO Order No. 172/2521 (1978) signed on 19 October, 1978. This will take effect immediately.

Montri said that the order appointing the supreme commander as the Internal Peacekeeping Command director was issued by General Kriangsak Chamanan's government. The director of the Internal Peacepeeking Command was authorized to appoint directors of units to perform duties. The Supreme Command considered and proposed to the Defense Ministry that it was deemed necessary to revoke such a duty and have the duty carried out by the Interior Ministry instead. The Defense Ministry agreed with the Supreme Command's proposal. The prime minister also agreed with this proposal. As a result, from now on, the supreme commander will not assume the post of director of the Internal Peacekeeping Command. All the units established under this authority must be abolished and officers of the units must return to their original agencies. The Internaal Peacepeeking Act still remains in force. If the act is to be abolished, the next government will have to present the matter to the House of Representatives for consideration.

Anan Comments on Revocation

BK1007024592 Bangkok THE NATION in English 10 Jul 92 p A1

[Excerpts] Prime Minister Anan Panyarachun yesterday revoked an executive order appointing the supreme commander as director of the all-powerful National Peacekeeping Force, a move that effectively excludes the armed forces from quelling civil unrest. [passage omitted]

Government spokesman Montri Chenwitkan told reporters yesterday afternoon that the prime minister made the decision after the Supreme Command and the Defence Ministry recommended that the National Peacekeeping Force's responsibility in maintaining peace and order be taken over by the Interior Midnistry now that the situation had changed.

But Anan, speaking to reporters at Government House last night, said: "The Defence Ministry does not have a say on that (the dissolution of the National Peacekeeping Force) because I have already made up my mind."

He said he had instructed the Defence Ministry to consider dissolving the National Peacekeeping Force as soon as he became prime minister in June.

"The Defence Ministry must have consulted the Supreme Command and they finally reached a conclusion on what has to be done," the prime minister said.

Anan said, however, that he would leave it to the next House of Representatives to decide whether or not to revoke the National Peacekeeping Act.

"Now that I revoked the executive order, the National Peacekeeping Force, in effect, ceases to exist," the prime minister said.

Asked why he did not issue an executive decree to revoke the National Peacekeeping Act although it was within his authority to do so, Anan said the issuing of executive decrees was reserved only for urgent matters of great significance.

Pressed further by reporters as to why he did not show "courage" by issuing an executive decree to scrap the National Peacekeeping Act right away, the prime minister was visibly annoyed.

"What courage? I don't understand. I did not appoint (the director of the National Peacekeeping Force). The revocation order, in effect, dissolved it (the peacekeeping force). If it works why fix it?" [passage omitted]

Meanwhile, Deputy Phao Prime Minister and Interior Minister Phao Sarasin, said yesterday the Police Department had set up three platoons of anti-riot police and was planning to propose a budget of some Bt300 milion for advanced crowd-control equipment.

Pol Gen Pow has been instructed by the prime minister to consider upgrading the Police Department's anti-riot units to avoid future bloodshed.

Tasks for Anan II Government Outlined

BK0807124292 Bangkok BANGKOK POST in English 8 Jul 92 p 4

[By Peter Maitri Ungphakhon: "Still Many Problems To Overcome"]

[Text] As the general election approaches, the focus of attention on Thailand's future is now extending beyond the Anan 2 government. For many in Bangkok and other cities, the difficulty is in resolving the conflict between raised hopes and more cynical, realistic expectations. The rural perspective is another matter.

The problem from the urban viewpoint is neither that people are expecting too much nor that they are overly cynical. They have hopes, but they are also realistic enough to know that after the September 13 general election we are likely to see the same old crooks back in Parliament, completely unabashed for having supported such a disastrous government as the one Gen Suchinda tried to set up with their help.

Most people in Bangkok realise that it is too much to expect drastic changes after the election. But at the same time, no matter how cynical we are, the emotional investment has been so great that there will still be a strong feeling of letdown if we can achieve nothing more than what we are realistically expecting.

We know that the affair will not be consummated, but we'll be heartbroken nonetheless.

What could we hope for? The starting point is the government of Prime Minister Anan. He is working in an atmosphere of much greater public expectation than last time. He sees his three-month term as serving these purposes:

—To continue in operation the reforms he and<is colleagues introduced in his first administration. His hope is that they will take root even more firmly and be even more difficult to change in the future.

—To "demilitarise politics" and "decommercialise the military."

—To shake up some state enterprises.

—To study how to revamp the government media.

—To hold reasonably free and fair elections.

The outcome of all of these points remains in question. Mr Anan and his colleagues are up against some formidable establishment powers, and they have only two months left.

Two issues are worth discussing in this context.

First, Mr Anan's most recent statements about demilitarising politics have placed great emphasis on the need to handle the issue sensitively. This is undoubtedly a matter of pragmatism and of great importance to those who want to avoid cornered generals and air marshals from attempting another take-over. The fact that the prime minister considers the issue to be so sensitive is recognition of the fact that the military still have an immense amount of clout and firepower.

But there is another sensitivity that risks getting trampled on if from now on we hear nothing but arguments for handling the military with kid gloves. Participants in May's demonstrations and supporters of the protests are asking why commanders in the topmost positions of power and privilege warrant so much more sensitive handling than the relatives and friends of the scores who were gunned down in the streets or are still missing.

Mr Anan says it is "un-Thai" to seek to publicly pillory the military commanders. "Thai-ness" probably has nothing to do with it, but those who do believe in some special Thai gentleness will surely counter that the most serious "un-Thai" action was the brutal suppression of peaceful demonstrations in May.

If the generals and air marshals were "un-Thai" in May, there is no reason why they should be treated in a "Thai" way now other than to avoid troops returning to the streets.

Mr Anan has also missed the opportunity to set up genuinely independent Royal Commissions of inquiry. He could have started with a fact-finding commission for the May uprising and a comprehensive study into the future options for broadcasting. The terms of reference of the government committees looking into the May uprising seem to deal more with apportioning blame. Testimony therefore tends to be defensive rather than concentrating on who did what, when and where and what the strategic plans were.

The composition of PM's Office Minister Michai Wirawaithaya's committee on the government media does not inspire confidence either. It mainly comprises officials. Even the deans of Journalism at Thammasat and Mass Communications at Chulalongkon Universities are ex officio. Such a committee is probably needed for short term tinkering with the system, but the country badly needs an official study in greater depth conducted by a committee whose chairman is perhaps a respected academic.

If Mr Anan had made these two moves, we would have had the beginnings of independent inquiries. The process of publishing facts in detail on an event of such national importance as the May uprising would have been a pioneering effort of true historic value matched only by PollWatch's investigation into the March 22 general election.

An independent commission on broadcasting would also have provided an opportunity to begin consulting the public on important policy issues by publishing a report and consultative document along the lines of the white papers or green papers used in other countries.

The opportunity has been missed and the ball is now in the court of September. In any case, Mr Anan has said repeatedly that long term reforms will have to conintue after he leaves office, and he is right.

It is up to those who suceed him to show that they are capable of picking up the reins and continuing the same routes. Simply fielding candidates who claim to be good economic managers by virtue of their business experience will not be enough.

Will the Democrats, Phalang Tham, Solidarity, New Aspiration and the others have clear election manifestoes spelling out priorities for reform?

Will they promise to turn Anan's rules for megaproject selection into an act of Parliament in order to reduce the opportunities for corruption?

Will they promise electoral reform to reduce the effectiveness of vote buying? Will they back all the other proposals submitted by PollWatch proposals arrived at after an unprecedented amount of research such as having singlemember constituencies and setting up an independent electoral commission to organise elections?

Will they promise us a freedom of information bill?

Will they make a clear statement of their intentions for taking the state media out of the hands of the military and out of the hands of any other agency whose responsibility is not for broadcasting?

Will they promise to set up a system of official commissions of inquiry on key policy issues such as broadcasting? Will they consult the public in advance on key policy issues through white papers, green papers, or documents of any other colour?

Will they promise to submit these within the first term of Parliament along with a revived local government bill?

Or will they simply churn out the same bland old policy statements that have bored us for so many elections now? Put your money on the same bland old policy statements. No one wants to risk losing votes by saying anything controversial.

A question related to all of this is whether we should be jumping with joy now that some business figures have said they will either stand for election themselves or support clean candidates. Anan has himself put a lot of emphasis on the responsibility of the business sector in several speeches. But to place so much hope in the business sector is simply to look for another form of knight on a white horse to come to the rescue. Some of the names that have been mentioned merit consideration. Some are not worth voting for even if they pay a thousand times the going rate.

The problem is two-fold:

First, there is no guarantee that people from a particular sector are any better than anyone else at running the country. The problem is finding good candidates, whether from business, academia, non-government organisations, trade unions, farmers or whatever. Businessmen happen to have money, which makes it easier for them to stand for elections.

Second, the *agenda* of elections and politics is more important than the *candidates*. It is more important that the election be about reforms Anan is talking about, agricultural policies, land tenure, interest rates and so on, than whether a particular person is standing and whether he or she has good qualifications.

To be sure, candidates have a role to play in setting the agenda. But there is little sign of any candidate trying to do that.

The agenda is important if the rural/urban gap is to be bridged. Information from rural areas on the impact of the May events is sketchy. Nevertheless, there appears to be little chance of a major shift in voting patterns in rural areas.

Those who have bothered to find out why rural people vote the way they do are tiring of repeatedly trying to explain patron-client politics and how the vote buying system works—inside Parliament as well as in the country.

The arguments fall on deaf ears. People who should know better refuse to listen. In the words of one academic: Some people are "knowledge-proof," they refuse to accept knowledge that has been gleaned out in the field.

What is this all about? It is about the difference between believing that vote buying is an immoral and distortionary act, on the one hand and believing that you can get rid of vote-buying by telling people it is an immoral and distortionary act, on the other.

We have good souls associated with the BMS business group getting ready to spend real money on a campaign to persuade voters not to sell their votes and to pick clean candidates, and even to field so-called "good" candidates.

Any campaign aimed at reducing vote buying or vote selling is bound to fail unless its designers understand the reasons why people vote the way they do and what the function of vote-buying is.

Anyone who has bothered to look closely at voting behaviour knows that vote buying cannot be stopped simply by putting psychological pressure on voters—which is what a PR campaign is. Nor can it be stopped simply by offering voters "better" candidates—"better," that is, in the eyes of us here in Bangkok.

The people of Suphan Buri, Ayutthaya and Phrae need MPs like Banhan Sinlapa-acha, Montri Pongphanit and Narong Wongwan. Ask them to vote for someone else and they could, if they had the inclination, reply: "Who's going to asphalt the road, bring electricity to the village, help bail out my brother-in-law when he's arrested?"

The only way to change people's voting habits is to change the political and social agenda, and structure. Local issues have to be dealt with locally. Viable alternatives have to be found so that power and influence are no longer the only way to bring national resources to the village. A genuine system of justice should be brought to all citizens of the country.

That will take an immense amount of time, and it will require more of a change of attitude in Bangkok than in the provinces because it is Bangkok that has the ultimate say on local government and finance.

It will require an effort from the people of Bangkok to understand rural problems instead of preaching to rural people. It will require a serious attempt to obtain facts about rural life and to seek solutions to rural problems based on those facts—not based on conjecture or moralising. It will have to involve a change in social relations and the reform of local government to allow greater participation and accountability.

This will happen faster if politicians and political parties are willing to spell these issues out on their agendas, time and time again, and are willing to wait five, ten, twenty years before the issues are accepted. But it appears unlikely that any political party will do that. All parties are far too concerned with winning immediately and being in the government. If they fail to join the government, their failure is not because they have principles that they have still failed to sell. Too many politicians have a vested interest in maintaining the bad old ways of patronage and manipulation.

None of the businessmen talking about standing in the election are likely to bring these issues to the political agenda either, despite Anan's own clear vision of the need for reform. They, too, want to be in government fast, and are promoting themselves on the grounds that they are successful executives—personal attributes—rather than because they stand for any principles.

That is why there appears to be little chance of any significant progress being made after the September election. The sense of disappointment will be there, no matter how realistically one tries to view the prospects now, because of the emotional involvement that has been invested in political activity in the past few weeks.

We should not be totally pessimistic, however. Thailand's social and economic composition will change and therefore these issues will eventually reach the parliamentary agenda. But the reforms will come about through social forces rather than because our leaders and our representatives have the kind of vision that Anan has about the type of reform that is needed, and therefore they will take longer than we would like.

Chatchai Accepts Leadership of Chat Phatthana

BK0907144192 Bangkok Army Television Channel 5 in Thai 1230 GMT 9 Jul 92

[Text] General Chatchai Chunhawan confirmed that he had accepted leadership of the new Chat Phatthana Party. Gen. Chatchai, when asked by newsmen about the vote by members of the Chat Thai Party to retain him as the party's leader, said he had already agreed to join the Chat Phatthana Party as its leader.

Chatchai said details about the new party are being worked out and everything is expected to be ready this week. He said the new party will stress moderation as its policy and will try to recruit capable and knowledgeable people as party members. He said about a hundred politicians had been recruited into the party.

He said the new party will cooperate with the Chat Thai Party, and especially will support the policy of decentralization of administrative power and land reforms for the poor. When asked, Gen. Chatchai said the order declaring his assets confiscated was just politics.

Chatchai's Choice of Parties Viewed

BK1007013392 Bangkok THE NATION in English 10 Jul 92 p A6

[Editorial: "Chatchai's Moves Force Hard Political Choices"]

[Text] The unfolding political picture became clearer yesterday when the Chat Thai Party and Gen Chatchai Chunhawan finally decided to go their own separate ways. Chat Thai named chief adviser Gen Praman Adireksan as its new leader, succeeding ACM [Air Chief Marshal] Sombun Rahong, who has stepped down. Chatchai, who had turned down earnest pleas from senior Chat Thai executives to take over the party's helm, intends to head Puangchon Chao Thai and rename it the National Development Party.

Chat Thai was obviously disappointed and hurt at getting the cold shoulder from Chatchai, a founder of the party and its most successful leader, serving from 1984 to 1991. Praman, also a co-founder and brother-in-law of Chatchai, is 79 years old with little political ambition left other than grooming his son Phongphon as his political successor. "Our party must move forward with confidence," Praman told a press conference yesterday.

Chatchai says he has no quarrel with either Banhan or Praman, and he will not recruit from the Chat Thai's pool of experienced politicians. But Chatchai likes to stress that he had no part in Chat Thai when it supported Suchinda and that his Chat Thai-led governemnt coalition was toppled by Suchinda in last year's Feb 23 coup. After the coup Chatchai was forced to resign as Chat Thai leader and announce his intention to leave politics for good.

But it should be noted that at one time after returning from his self-imposed exile in London last year, Chatchai voiced support for Suchinda as "the most suitable person" to be the next premier. He thought his appeasement of the coup-makers would help him get off the hook of the assets investigation committee. But he too was found "unusually wealthy" and had Bt [Thai baht] 226.5 million of his assets confiscated. Now Chatchai says his political comeback is part of his attempt to clear his name.

Cahtchai has a clear edge over Praman in the race for the premiership because of his relatively younger age (he is 73) and his 32-month experience in the premiership. Praman has held all major Cabinet posts except the premiership. Praman will have to rely heavily on financial backing from secretary-general Banhan, who tends to demand a big say in how a political pie is to be divided.

Chatchai is counting on generous support from Surat Osathanugrah, a pharmaceutical tycoon who was secretary-general of the Social Action Party, and Surat's supporters in the so-called Democracy Group from Samakhi Tham. His own nephew Kon Thapparangsi will also join National Development and bring along former Samakkhi Tham executives Gen Athit Kamlang-ek and Suwat Limtapanlop, the top vote- getter in Nakhon Ratchasima's Constituency No 1, where Chatchai is expected to stand.

Had Chatchai agreed to lead Chat Thai, the party would have the potential to win the largest number of the 360 House seats in the upcoming election. Now his National Development must directly compete with Chat Thai for candidates and financial support from the same vested interests that used to back Chat Thai alone. Later on the two parties will also compete for vote canvassers and voters in many Chat Thai constituencies.

However, by not putting all his political eggs in the Chat Thai basket, Chatchai may actually be trying to diversify his risks and maximize his chances of returning to power in Government House. Despite the inevitable rivalry that is looming and the angry words from some Chat Thai executives, an eventual alliance between National Development and Chat Thai in leading a new government coalition after the Sept 13 poll is still a distinct possibility. Another potential ally of these two parties is the Liberal Party (the new name of the infamous Samakkhi Tham) now under the leadership of Anuwat Watthanapongsiri, a former deputy leader of Chat Thai.

The breakup between Chatchai and Chat Thai should force other groups, particularly the one led by ex-house speaker Dr Athit Urairat, still testing the political water to make their decisions quicker.

After all, it is already too late to register a new party and the application for candidates opens in 17 days' time.

Praman Adireksan Elected Chat Thai Party Leader

BK1007025792 Bangkok THE NATION in English 10 Jul 92 p A1

[Text] Chat Thai chief adviser Praman Adireksan was yesterday voted the party's new leader after former leader Chatchai Chunhawan persistently rejected attempts to have him retake the helm for the upcoming general election.

Chatchai has reaffirmed his plan to lead another political party, which will be joined by a Chat Thai faction, into the election.

Chat Thai members voted during a meeting yesterday for Praman to lead the party with acting party leader ACM [Air Chief Marshal] Sombun Rahong replacing him as chief adviser. Praman was the first Chat Thai leader when the party was founded in 1973. He resigned in 1986 when he handed over the reins to Chatchai.

Chatchai quit as Chat Thai leader after the coup that toppled his government on Feb 23, 1991 and was replaced by Sombun, who then resigned as party leader after the fall of the Suchinda government in the aftermath of the brutal military crackdown on pro-democracy protesters in May. Praman said his relations with Chatchai, who is his brother-in-law, will remain unchanged despite the latter's decision to stay away from the Chat Thai Party.

Praman said he will lead Chat Thai to the Sept 13 election, and the party will introduce its candidates to the public next Tuesday at the Central Plaza Hotel.

Deputy Chat Thai leader Watthana Atsawahem yesterday said he had decided to stay with Chat Thai and had given up his plan to join Chat Patthana party, the new group to be led by Chatchai, after what the former prime minister did to senior Chat Thai members on Wednesday night. On that night, Chat Thai executives gathered at Chatchai's residence in Soi Ratchakhru to wait for his response to their request for him to come back as party lader. After having kept the party members waiting for about eight hours, Chatchai telephoned them and said he would not accept the party leadership.

Deputy Chat Thai leader Sano Thianthong yesterday said the incident at Chatchai's residence was an unforgettable experience for him, and it had also saddened Chat Thai members. He blamed Chatchai for having spread a rumour that senior Chat Thai members, including Watthana and another deputy Thawit Klinprathum, had agreed to join Chat Phatthana Party.

"A senior person who stands the chance of serving the country should not have done something like that. I've just learned the true nature of a man whom I respected," said Sano.

Thawit yeterday said Chat Thai members were very angry at what Chatchai did to them on Wenesday night and blamed him for having made Sombun lose face. Sombun, according to Thawit, assured party members that he was confident that Chatchai would agree to lead the party again and announced he would let them "step on him" if Chatchai refused.

Chatchai said yesterday that the planning for the overall structure of Chat Phatthana Party (National Development Party) will be finished by Sunday. The group, an offshot of Puangchon Chaothai Party, will uphold a policy of keeping neutral in politics and will field as many qualified candidates as possible in the Sept 3 poll, he said.

Chatchai said about 100 ex-MPs have agreed to join the party. The former premier said his decision to lead Chat Phatthana did not mean that he will totally sever his relations with Chat Thai because the two parties will have to cooperate in political affairs.

"I am not abandoning Chat Thai. I have just not accepted the leadership," he said.

Chatchai said he had seen problems with the nine major political parties, including Chat Thai, and therefore wanted to head a party that has no problems and which people could rely on.

'Image' Problems of Chat Thai Viewed

BK0307051592 Bangkok THE NATION in English 3 Jul 92 p A6

[Editorial: "Will Chat Thai Become a Feast for the Vultures?"]

[Text] For the first time in many years Chat Thai is not ready for a general election. The party may have no difficulty filling its campaign coffers, drained by heavy spending in the March 22 election. But it will have a hard time sprucing up its image and shaking off the reputation of having been an enthusiastic key player in the disgraced pro-Suchinda coalition. Finding a new party leader—preferably one with the potential to be the next premier—to replace ACM. Sombun Rahong will be harder still.

On Wednesday the Chat Thai executive committee chose the obvious: offering the top party post to former leader Gen Chatchai Chunhawan. It was under Chatchai's leadership that the party reached its peak in the July 1988 election. The Chat Thai-led coalition government managed to hold on to power until it was toppled in the Feb 23, 1991 coup.

Chatchai returned to Bangkok from a two-week vacation in London yesterday and broke the news that he intended to turn down the offer and stick to his decision, made during his captivity by the coup-makers in exchange for his freedom, to leave politics for good. His reasons are: old age (he is 73), that he is still appealing the confiscation of Bt226.5 million of his assets in court, and finally, that he doesn't want to antagonize anyone—presumably meaning the military leaders of the Feb 23 coup.

Chatchai stunned the party further with a personal suggestion that secretary-general Banhan Silpaacha be promoted to party leader, and perhaps deputy leader Snoh Tienthong be made the new secretary-general. Chatchai must know this is a recipe for trouble rather than a renewal of the party's vitality. But why he is floating this idea? Out of spite because he couldn't work out a compromise with Banhan?

In the aftermath of the May crisis, Banhan sharply differed with Chatchai on what path the party should follow. Chatchai, who was then appointed a special adviser to the party, openly urged Chat Thai to cooperate with a Democrat-led coalition to form a new government, but Banhan wanted the party to stay with the pro-military majority coalition and back Somboon for the premiership.

It is no secret that several former MPs, led by Kon Thaprangsi, a nephew of Chatchai, are unhappy with Banhan's "autocratic" style. One senior executive, former house speaker Pancha Kesonthong, has just left the party because he couldn't stand Banhan. If Banhan does take the helm, Kon's group will probably break away and other groups, including a sizeable one in Samakkhitham led by Gen Athit Kamlang-ek and Suwat Liptapanlop, may not join Chat Thai.

Banhan and Chatchai need each other's help to overcome their respective problems. Banhan wants to keep the secretary-general's post and at the same time see Chatchai return to lead the party. Chatchai also wants to regain control of the party to help him to clear his name and appeal for the return of his assets. But Chatchai apparently sees Banhan as a huge political liability because of the secretary-general's energetic support for ex-army chief Gen Suchinda Khraprayun's questionable rise to the premiership.

The dilemma confronting Chat Thai is that if it sides with Banhan, its decline is inevitable, but if it turns to pick up Chatchai as new leader it will have to edge Banhan out of his influential secretary-general's post. Banhan's bargaining power lies in his generous contributions to the party's coffers and his control of a large number of veteran politicians. But Banhan's lack of international experience and his "autocratic" style make him a far inferior contender for the premiership than Chatchai.

One possible compromise would be to let Banhan name his successor before moving to the relatively inactive post of deputy leader for the time being. Both Banhan and Chatchai will have to move fast. For today ex-house speaker Athit Kamlang-ek is set to unveil his political plan. If he takes over a small party, like Puangchon Chao Thai, he will certainly try to bring in Kon, Gen Athit and Suwat as allies.

The scramble for electable veteran politicians is on. Chat Thai will become a victim of "head hunters" if if fails to keep its house in order by settling the dispute between Chatchai and Banhan.

New Solidarity Leader, Phalang Tham Adviser

BK1007032592 Bangkok THE NATION in English 10 Jul 92 p A2

[Text] Prasong Sunsiri, former secretary general of the New Aspiration Party and former secretary general of the National Security Council, has agreed to be an adviser to Phalang Tham Party [PDP] like former Solidarity Party leader Bunchu Rotchanasathian, former PDP leader Chamlong Simuang announced yesterday.

"Phalang Tham today has agreed to admit Bunchu to its advisory board and to run for a parliamentary seat in the upcoming general election in the same province in which he ran in March," said Chamlong. Bunchu won a parliamentary seat in Nakhon Sawan in the last election.

Phalang Tham Party yesterday held a meeting of its administrative board and members at its headquarters. Bunchu joined the gathering.

"I decided to join Phalang Tham because I want to continue the political struggle and I want to restore the public's faith in politicians," Bunchu said.

He also said he wanted to use his experience and knowledge to help his country and society, adding that this would allow him to "die in peace". He said he had worked with Chamlong when he was secretary to former prime minister Prem Tinsulanon.

Chamlong said other members of the advisory board included Prasong, former deputy interior minister Pol Gen Wasit Detkunchon, former air force commander ACM [Air Chief Marshal] Pruangwit Hongsanon and Pol Gen [Police General] Ophat Ratasin, a former police deputy director general.

Three former party MPs representing Bangkok—Chaiwat Sinsuwong, party spokesman Pirapong Thanompongpan and Soem Laksuwan—have decided not to run in the upcoming election, Chamlong said. He said that after their decision not to run, the party had named them as advisers to the party's election centre.

Chamlong, asked whether conflicts could easily emerge when a party comprised of members defecting from other parties, said that those who joined the party shared ideologies and that they had been carefully screened.

Uthai Pimchaichon was yesterday elected the new leader of the Solidarity Party, replacing Bunchu. Uthai said yesterday that the meeting had chosen Chaiyot Sasomsap as the party's secretary general and Wirat Thasanon as a member of the administrative committee.

Uthai said that after Bunchu had left the meeting room yesterday, it was agreed that he should be asked to become chairman of the party's advisory board.

Bunchu did not say yesterday whether he would accept the offer by the Solidarity Party.

Wirat said that the nomination of Uthai as party leader would be approved at a party meeting today.

Uthai said yesterday his party would not be dissolved to merge with any political party. Uthai said after a political campaign in Roi Et's Muang district that conflicts would arise if his party merged with another as has been seen in many other marriages of convenience among political parties.

Uthai denied reports that frictions have taken place between him and former Solidarity leader Bunchu Rotchanasathian.

Former House Speaker To Head New Seritham Party

BK1007032992 Bangkok THE NATION in English 10 Jul 92 p A2

[By Chitana Panya-awut]

[Text] Former House speaker Athit Urairat announced yesterday that he would set up a new party, Seritham (which means freedom and justice), to compete in the Sept 13 general election.

Dr Athit made the announcement at a press conference at Parliament with former "Young Turk" MPs [members of parliament] of the Samakkhi Tham Party.

Included were Phinit Charusombat, Sumet Phomphanhao, Somsak Khunngoen, Sakhon Phomphakdi, Sitthirat Rattanawicha, Apichat Hanlamchiak and Chaiwat Sucharuangthong.

Athit said after the news conference that he would form his new party by changing the name of an already-registered political party, but refused to reveal the party for the time being. He added that he was now busy making preparations.

Asked if he would become the leader of the Seritham Party, Athit said: "That will depend on a decision to be made at a party meeting to be held next week."

The former House speaker's much-lauded nomination of Anan Panyarachun as interim prime minister instead of the expected choice, Somboon Rahong, had led to him being alienated by most Samakkhi Tham members.

Athit had previously said he would wash his hands of politics after his nomination of Anan as premier pitted him against several influential politicians.

He recently complained of death threats and said he had to rely on alcohol to get to sleep.

Athit, an ex-Chachoengsao MP, said yesterday: "If I could choose, I would not compete in the poll. But I can't do that because (if I refused to run in the next election) I would definitely be trampled on by the Chachoengsao people."

Asked how many ex-MPs would join the party, Athit refused to say. But he said his party would place quality above quantity in the selection of its members.

Earlier, Athit said that the number of ex-SMPs in his new party would be no fewer than 32.

He said yesterday that former Samakkhi Tham Party chief adviser Buntheng Thengsawat, who recently resigned from the party, and his faction are likely to join Seritham Party as they had initially agreed to stay together.

Athit said some businessmen would also join his party and that he would not mind if those who shared the same political ideologies would make donations to the party.

The former deputy Samakkhi Tham leader then denied that he had decided against joining Chat Phatthana, another new party to be headed by Gen Chatchai Chunhawan, because of a difference in principles, saying all political parties have good ideologies.

However, Athit, side-stepping a question as to whether his defection to the pro-military Samakkhi Tham after the Feb 23 coup last year had been a mistake, said his conflict within the party arose from ideological differences.

Commenting on the springing up of many political parties prior to the Sept 13 poll, he said it was unavoidable and would not damage the country.

Amendment for Elected Prime Minister Presented

BK0907141392 Bangkok Army Television Channel 5 in Thai 1230 GMT 9 Jul 92

[Text] The prime minister has presented the fourth draft constitutional amendment requiring the prime minister to be an elected member of the House of Representatives to His Majesty the King today. Speaking to reporters at Government House this afternoon, Prime Minister Anan Panyarachun said that a letter concerning legal points relating to the enforcement of the draft was also attached to the draft constitutional amendment.

The prime minister also said that the presentation of the draft constitutional amendment to the king will not affect the administrative power of his government.

Government Commitment to Clean Election Questioned

BK0907015992 Bangkok THE NATION in English 9 Jul 92 p A6

[Editorial: "Is Anan II Serious About a Truly Clean Election?"]

[Text] Will anything really be done to make the upcoming general election cleaner than that on March 22? Frankly speaking, it seems unlikely. Worse, the Anan II administration appears unwilling to do anything to change this, as it wants to avoid any initiatives that might contradict its role as an unelected caretaker government.

Even before Premier Anan Panyarachun dissolved the House of Representatives last month, he made clear his government had no plans to amend the Constitution of 1991, which contains several contentious points about election rules and qualifications of candidates. He will not change anything on the political parties and election laws either, because there is no consensus among the politicians about what should be changed or how.

The new PollWatch he set up yesterday is only an ad hoc body, instead of a permanent independent public office that can monitor future elections, deter vote-buying, and promote parliamentary democracy on a continuing basis. The PollWatch is once again assigned to submit a detailed report on the election and recommend what needs to be done to minimize electoral fraud and raise the political awareness of the electorate.

But what if the report is completed after Premier Anan is out of office? His elected successor may not even bother to accept the report, let alone read it. Very few politicians appreciated what the first PollWatch tried to do in the March 22 election. Fewer still want to see a more active PollWatch in the upcoming election. And all are vehemently against the idea of setting up a permanent and powerful watchdog body.

Those politicians who buy votes and bribe election authorities would agree that they would be much better off financially if there were no need to resort to illegal spending in an election. But their excuse is always that if they do not do it, their opponents would and win.

In many cases, vote-buying is voluntary and evidence of bribery is very difficult to trace. Poor rural voters repay their debt of gratitude to their patrons by voting for the candidates their patrons work for. Nothing can terminate such relations immdediately. Only time and development may make the rural people more independent.

Given the low-key approach of the government to the Sept 13 election, what can be done to deter vote-buying and election fraud? Since trying to stop vote-buying is futile, why not try to ensure that election authorities do their jobs honestly?

The Anan II administration has full control of the Interior Ministry, unlike in Anan I, when it was under the autocratic leadership of Gen Itsaraphong Nunphakdi, secretary-general of the National Peacekeeping Council. The widespread vote-buying and bribery in the March 22 election could be attributed partly to military intervention in an attempt to help pro-military parties win a majority of House seats, so that they would make then army chief Gen Suchinda Khraprayun the next premier.

This time the government has only itself to blame if it fails to curb vote-buying and minimize election fraud. Interior Minister Pol Gen Phao Sarasin, who was a well-respected national police chief, should be able to make senior election officials toe the government line and refrain from aiding any parties.

This week the governors and deputy governors of seven provinces, including Suphan Buri, Pathum Thani and Ayutthaya—all strongholds of parties in the Suchinda coalition—were transferred in what looked like a pre-election purge. The Cabinet has set up an ad hoc committee to spearhead the fight against vote-buying. Another ad hoc committee will concentrate on cracking down on jao pho who use gunmen and other types of force for political purposes during the election season. At the same time the Police Department is making a lot of noise about updating its computerized files on suspected jao pho (there are about 200 on the list) and known gunmen (about 800 on the list) in order to keep a closer watch on them.

The seriousness of the Anan II government about keeping the election authorities honest will soon be tested, when the campaign gets into full swing next month. If there are more newcomers running there will be additional pressure on those "old faces" to try to win by cheating.

The administration's declared impartiality in the upcoming poll does not mean it should be complacent. It must translate its policy of keeping the election authorities honest into real action. The next two months will be a crucial test to see if an honest government can actually keep a general election clean. As it stands now, there are ample reasons for pessimism—chief among them the government's sluggishness in taking real action to clean up the system, a system that may have been riddled with corruption for too long to ever change.

Army Newsletter Complains of Public Mistreatment

BK0907012592 Bangkok THE NATION in English 9 Jul 92 p A1

[Text] Army officers have begun complaining to their own in-house publications that they do not deserve the public backlash against them and what they describe as ostracism resulting from the May 17-20 bloody crackdown on pro-democracy protesters.

The army's internal newsletter, KHAO THAHAN BOK (ARMY NEWS), released yesterday, contains an article written by an army officer under the pseudonym Thahan Kae (an old soldier), which purportedly reflects the bitterness and grievances expressed by many army personnel and their dependents.

"At present, the army as an institution, army personnel and their dependents are being trampled upon by those outside the armed forces," said the writer. "Army personnel and their dependents are being hurt. They are being ostracized by immoral and unethical groups. They are being unfairly and indiscriminately blamed (for the bloodshed)."

The writer, who does not express remorse for the May incident in which scores were killed and hundreds injured when troops fired on unarmed protesters, says army officers and troops are trained to follow orders issued by their superiors without questioning.

He argues that it will not be possible for militarymen to stay out of politics completely as demanded by pro-democracy groups, saying the duties of the armed forces include national defence, protecting the monarchy and suppressing rebellion and riots.

"The military has been performing these duties for hundreds of years," the writer says.

Obviously sarcastic in tone, the writer said: "(In the face of the public backlash) soldiers and their families might as well stay idle and be blind to what is happening in this country.

"They'd rather get sick and die at their home than be a burden to other people at hospitals. Their children should stay home to avoid discriminatory treatment at schools and remain ignorant."

The article appears under the news column Fak Hai Khit (Food for Thought) in the July 8 issue of KHAO THAHAN BOK.

In a related development yesterday, Armed Forces Chief of Staff ACM Phisit Salikhup said the military could face opposition from the people if it staged another coup.

"I don't see any reasons to stage a coup," he said. "I don't think that will happen. How could the military do it if they know they will face opposition from the people. If there are no (substantial) reasons, the military would not do it."

ACM Phisit, speaking at Supreme Command Headquarters, voiced support for Permanent Secretary for Defence Gen Wanchai Ruangtrakun's plan for the Defence Council to consider the military's role in politics when it meets next month.

He said the military does not want to interfere in politics and Defence Minister Banchop Bunnak has stressed that.

Asked how the military could stay out of politics, Phisit said: "(We'd) stay away and not intervene. That's an obvious action."

Phisit said only certain military leaders, and not all military officers, tried to exert control over the political scene.

"However, I believe the military should minimize its role in politics," he said.

He said the armed forces could refrain from intervening in politics immediately.

Asked how long would it take for the military to withdraw from politics, Phisit said: "It would take no time as this can be done instantly. If we stop our intervention, we can start from today."

Phisit denied claims by the foreign press of corruption among military officers in arms deals.

He said defence contracts would be made on a government to government basis.

Phisit said corruption is unlikely to occur in any arms deals as contracts have been made by an ad hoc committee, and not by a single military leader.

He said budgets to buy arms are limited. The military would normally get only 40-50 percent of the amount it asked from the government, he added.

"If there were rampant corruption in the armed forces, the military would have been in bad shape. I don't think military leaders would do that (involved in corruption)," he said.

Democrat Party Leader as Preferred Prime Minister

BK1007121592 Bangkok BANGKOK POST in English 10 Jul 92 p 1

[Text] Bangkok residents have voted Democrat Party leader Chuan Likphai the most popular politician and most suited person to hold the premiership.

In a recent poll released yesterday the Democrats also came out the most favoured political party, edging the Phalang Tham Party [PDP], even though the latter was favoured to win the most seats in Bangkok in the September election.

The survey was conducted by the National Institute of Development Administration's Research Centre from June 19 to 26—roughly one week before the dissolution of the House of Representatives. The sampling was conducted among 1,500 people in 36 districs of Bangkok.

Forty-nine per cent favoured Mr Chuan when asked which MP they thought was most suited to become prime minister.

Former PDP leader Chamlong Simuang, usually the most favoured candidate for the premiership in past surveys, ran a distant second with 16 percent.

Other prominent politicians favoured for the job included New Aspiration Party leader Gen Chawalit Yongchaiyut (4.9 per cent), former House Speaker Athit Urairat (3.5 per cent), Prachakon Thai Party leader Samak Suntharawet (3.1 per cent), Chat Thai Party leader Air Chief Marshal Sombun Rahong (2.3 per cent) and Gen Athit Kamlang-ek (2.1 per cent).

Mr Chuan also emerged as the most popular politician. Thirty-nine per cent of those surveyed said Mr Chuan was their favourite politician.

The Democrat leader was followed by Maj Gen Chamlong with 35 per cent, Mr Samak (7.8 per cent), Mr Athit (5.4 per cent), Gen Chawalit (3.4 per cent), Gen Athit (1.2 per cent), ex-prime minister Gen Chatchai Chunhawan (1.1 per cent) and former Democrat MP Aphisit Wechachiwa (1.0 per cent).

The Democrats were also chosen as the favourite political party with 41.9 per cent, followed by the PDP with 41.5 per cent, Prachakon Thai with 7.8 percent and the NAP with 4.0 per cent.

The PDP came out as the clear favourite to win most seats in Bangkok with 69.3 per cent followd by the Democrats with 24.4 per cent. The survey also indicated a big turnout at the next election. Sixty-nine per cent said they voted at the last election, but 86 per cent said they intended casting their vote in September.

Forty-seven per cent said they would vote along party lines, 27 per cent for parties and individuals combined, and 23 per cent for individuals alone.

Looking to the future, 69 per cent felt there would be political progress but 41 per cent thought the military would continue to seek opportunities to assert itself.

Seventy-eight per cent were against the appointment to Cabinet of politicians whose assets have been seized, and 63 per cent doubted the success of a crackdown on vote-buying at the September election.

Finally, asked about the priorities needing attention by the Anan Panyarachun government, 95.2 per cent said ensuring a free and fair election; 83.9 per cent said the transfer of those responsible for the May suppression to ensure a fair investigation; 81.7 per cent said the means to stop the military from interfering in politics; and 81.3 per cent said finding those responsible for the suppression.

Maj-Gen Chamlong said in response to the survey that the findings would bear little impact on his chances. He said a possible reason for his drop in popularity could be his decision to stand down as PDP leader.

Thinawat Marukkhaphithak, a former PDP member for Bangkok said the drop in Maj-Gen Chamlong's popularity could be due to the public criticism of his role in the May 17-20 events. But he added that the survey should not be used to gauge the former party leader's real popularity.

Mr Thinawat said Maj-Gen Chamlong had often won favour in polls to become prime minister but he had still to achieve this position.

Army Role in Cambodian Peacekeeping Noted

BK0507020092 Bangkok THE NATION in English 5 Jul 92 p A2

[By Kunlachada Chaiphiphat in Battambang]

[Text] Save for the Bangkok carnage in May, the Royal Thai Army has earned an international reputation for its constructive role in the massive UN peacekeeping operation underway in Cambodia.

"Sometimes we are asked to dig wells to provide water for consumption in UNTAC [UN Transitional Authority in Cambodia] military camps. Some requests are for fixing electricity generators," said Col Sommat Pruangsuwan, the commander of the Thai army's Second Engineer Battalion Task Force, based in the northwest Cambodian town of Battambang.

Excluding their honorary staff—bomb-sniffer dogs like Kroi Chan, whose nose is sometime much more efficient than British-made mine detectors—the Thai engineering staff have surprised their UN colleagues with their innovative ability to fix anything by using whatever scraps of material are available.

Four months have passed since the Thai battalion started fulfilling its duty under the white and blue flag of the UN.

Their major tasks range from assisting in clearing landmines, repairing roads, railways and bridges to renovating buildings to house UN facilities as well as improving basic infrastructure.

Since the Korean and Vietnamese wars, the Thai military has not deployed personnel to any large-scale operation, either for peace or war, until recently.

The decision to include the Second Engineer Battalion in the UN peacekeeping operation came after the UN Secretary General requested additional foreign battalions to take part in the UN Advance Mission in Cambodia (UNAMIC) to speed up the mine-clearing operation.

Mine sweeping is vital for a quick resettlement of Cambodian refugees and for the safety of the UN peacekeeping force which will be in the country for two years.

"I am proud that Thai soldiers are now renowned for their professionalism," said battalion chief Col Sommat. "We have been offered a chance to show our real capability and so far, we have done quite well," he said.

The battalion chief said his subordinates won praise from the UN Transitional Authority in Cambodia's military chief Gen John Sanderson for their punctuality, efficiency, and discipline.

A battalion communications officer said he felt honoured working side by side with war veterans in the UN units.

"This is the way to upgrade the efficiency and modernize the working system of our own operation," he said.

The young officer, however, said he initially had problems communicating in English but this became insignificant as time passed.

"I began to understand even the English spoken with an Australian accent," he said.

The battalion has just finished renovating the former headquarters of Phnom Penh's Fifth Army command to house UNTAC's Section 8 base.

It is now busy grading a bumpy 70-km stretch of route five from Sisophon to Battambang.

The 48-km stretch from Poipet to Sisophon has already been upgraded by the First Engineer Battalion Task force which was sent in first to quickly repair the route to facilitate the repatriation of Cambodian refugees, whichs began on March 30.

"We would have finished this part in a few months if it had not rained," said Col Sommat in an interview last week.

The rain posed an obstacle to the road works because it made travelling and transporting heavy equipment very difficult.

"The rain washed away the thick layer of compressed laterite pressed on top of the original surface of the road," said the battalion chief.

"We are also in need of better quality laterite to resist the adverse effects of heavy rainfalls.

The problem is that we had to go deep inside the jungle, where guerrilla ambushes are distinct possibilities, to get good-quality laterite" he said.

After this mission, the battalion will go on to repair the pot-holed stretch of route 6 from Sisophon up north to Siem Reap province.

The route is virtually impassable because of mines and booby- traps planted by the tripartite guerrilla forces as well as Phnom Penh.

There are about 40 badly maintained bridges along this route that need to be fixed.

Fortunately, the battalion has not suffered from the deadly malaria or landmines.

"Malaria has not attacked anyone in the battalion," said a doctor attached to the Second Battalion. "We did not encourage the men to take anti-malaria drugs," said the doctor, adding that personnel, however, were advised to apply mosquito repellant lotions as a precautionary measure, especially during the monsoon rains.

He said so far there was no case of anyone being injured by mines. Most health problems involve food poisoning, the common cold and skin diseases caused by water contaiminated by the gem mining process and bacteria.

Sommat said his men's hazardous and uphill task if expected to be completed by the middle of next year.

Asked about a guarantee of security for his men, he said: "We cannot be 100 per cent sure that we are safe in this place, since in Cambodia anything is possible."

A source close to the Khmer rouge said the faction would not advance to the city and would use force just for defensive purposes.

But on Thursday a sergeant from the battalion was shot in the abdomen by an AK 47 assault rifle.

It would be a difficult task to identify the assailant as this sort of weapon is popular in Cambodia—used by both Phnom Penh government and guerrilla troops and even civilians.

A source from a western company which is currently exploring for oil around Khmer Rouge-controlled Pailin town said in case of intensified fighting, the plan is for everyone to be evacuated with the Thai army.

Ironically, given their understanding of Cambodian geography and their special ties with the Khmer Rouge, the Thai military are so sure of their safety that they have not even prepared an evacuation plan, in case fighting resumes.

"We don't know where to escape if the headquarters is blown up and all roads to Thailand are blocked," said another source inside the battalion.

"I would imagine that all UN military units based in this area will run to our headquarters for shelter as they believe that being in the Thai camp may be less risky," said the source.

The battalion's headquarters is located near Route five that cuts through the city, which just a month ago was hit by mortar fire from the Khmer Rouge. The incident damaged the new market, three kilometres south of the city and killed three people.

All in all the state of morale and health in the task force is still relatively high despite the hard life they lead and the risk to life and limb.

But when low-ranking officers were asked about the rewards for their endeavour, they were less enthusiastic. "We've received more words of praise than money," said one engineer.

The cash-strapped UN headquarters in New York is still waiting for financial contributions from member states as the cost of operation totals US$2 billion. The UN Cambodian oepration has overran the capability of the UN to meet its financial burden.

Coming under the blue berets, Thai soldiers enjoy the same benefits including per diem payments and health and life insurance coverage of other nationalities oeprating under the Untac. The daily allowance for UN personnel is around US$110.

Yet news that the Thai Army has a policy to allocate some of the money intended for the Second Battalion to the First has upset them.

"We are quite confused by the policy of our army," a Second Battalion sergeant said.

At the recent meeting of senior army officers and the Thai Foreign Ministry on the UN financial backing, army officers raised the need for some portion of UN money meant for the Second Battalion be allocated to the First.

They reasoned that both battalions, though working for different organizations, undertook the same sort of work and faced similar risks.

"If we are to compare the hardship, degree of risk, and the level of qualification in skills, it is not a fair and square deal at all," said another sergeant from the same battalion.

"Our work is more diversified and difficult. We've put in more work than was required initially and more mine clearing is ahead of us, while the First is just limited to the Poipet-Sisophon stretch," he pointed out.

The First Battalion is operating under the Thai gOvernment's grant aid worth more than Bt170 million to Cambodia to help repair route 5 and the men are given about Bt200 as a daily allowance. Their responsibility is to upgrade the Poipet-Sisophon stretch as well as clear mines in the vicinity.

"If we are to show that we are generous to our neighbour, why don't we just spend more from our own pocket to subsidize the work of the First Battalion," the sergeant said.

To date, the army has provided the Second Battalion with more than Bt1 million to enable them to continue with their work. So far they have neither received their salaries nor the per diem from the UN, except for petrol and maintenance expenses.

The battalion has field a protest against the policy to higher authorities but has yet to receive a reply.

The UN is expected to channel money for the battalion's expenses through the Thai Foreign Ministry, but how much control the later will exercise over the usage of the fund is not yet clear.

Thai Soldier With UN Mission in Cambodia Shot

BK0807012392 Bangkok BANGKOK POST in English 8 Jul 92 p 8

[Text] A Thai soldier operating with the UN forces in Cambodia was shot and seriously injured, the Foreign Ministry said yesterday.

The shooting took place at 8 p.m. on July 2 when Sgt Anan Sogsuwan and two colleagues were leaving Poipet market for Battambang.

Sgt Anan was shot in the right hip while the other two escaped injury. It is not known which Cambodian group is responsible for the shooting.

Sgt Anan was sent to Surasinghanat Camp Hospital for treatment and was later admitted to king Mongkut Hospital in Bangkok.

The three soldiers, who are members of the Second Task Force of the Thai engineering corps undertaking mine-clearing operations and maintenance of Highway 5 in Cambodia, were assigned to pick up spare parts and other goods at Poipet market.

Usually Thai troops operating in Cambodia are ordered not to travel at night due to safety reasons, the Foreign Ministry said. But the truck of the three soldiers, with the UN sign attached, broke down and had to be fixed in Aranyaprathet, causing their trip to be delayed.

Official Says World Bodies Violate Sovereignty

BK0407012892 Bangkok THE NATION in English 4 Jul 92 pp A1, A2

[Text] Thailand yesterday accused the World Food Programme (WFP) of violating Thai sovereignty when it tried to transport 16 truckloads of food supplies into Cambodia without permission.

National Security Council Secretary-General Gen Charan Kunlawanit said the incident early on Tuesday morning had prompted Thai authorities to formulate a series of measures to avoid further occurrence.

The 16-truck convoy was taking food supplies from Prachin Buri Province to the peacekeepers of the UN Transitional Authority in Cambodia (UNTAC) when it was stopped on the Thai border checkpoint of Chong Chom.

Charan also said Thailand will pursue legal action against Dutch troops of UNTAC who were involved in two separate road accidents on the Thai border in which two Thais were killed and another critically injured.

The secretary-general said the World Food Programme failed to seek a Thai exit permit and was refused a pass when the convoy arrived in Chong Chom about 3:30 am on Tuesday.

"The World Food Programme action is a violation of Thai soveriegnty," he said.

He said senior Thai authorities and senior UNTAC officers have always enjoyed good understanding and communications, but there might be some difficulties at the level of junior UNTAC officers.

Thailand supports the UN peace operation in Cambodia but does not want to see any practice which is a violation of Thai sovereignty, he said.

After the WFP incident, the Thai Government and military agencies concerned held talks to resolve the problem and to prevent any future reoccurrence, he said. The meeting agreed the World Food Programme has to officially ask for Thai exit permits in advance and must allow Thai officials to check goods on vehicles leaving and entering the country.

Charan said Thailand will not allow the World Food Programme to transport supports into Cambodia unless it has complied with these conditions.

He also lashed out at the Dutch troops whom he said were responsible for two road accidents in which two Thais were killed and another fatally wounded.

The first incident happened on June 11 in Klaeng district of Rayong Province when Dutch troops driving a UN vehicle ran into a Thai pick-up vehicle, instantly killing one person. The troops paid US$ 3,200—about Bt 81,600—as compensation.

The second accident took place on June 21 in Pong Nam Ron District in Chanthaburi Province when a Thai couple riding a motorcycle was hit by a UN vehicle driven by a Dutch soldier. The woman was killed instantly and her husband, who lost both his legs, remains in a critical condition in the intensive care unit of a provincial hospital. The Dutch forces paid bt 100,000 as compensation for the two victims.

According to Thai law, the Dutch troops are still held responsible for the two accidents and the cases will be pursued in court, Charan said.

The Thai military had informed the Thai Foreign Ministry and UNTAC of the two incidents.

It also has asked the UN mission to apply "disciplinary control" to three Dutch military units stranded in Thailand after the Khmer Rouge refused to allow them to enter the area it controls in Cambodia.

The three Dutch units had arrived in Thailand on May 26 instead of June 6 as expected, without prior notification. They had been moving about freely on Thai soil without permission and were seeking private warehouses to store military equipment and supplies, he said. Such practices are violations of Thai sovereignty, he said.

The Dutch battalions should be quickly moved to Cambodia to wait for their future deployment, as their temporary visas for Thailand already had expired, Charan said.

—A Thai soldier serving with UN peacekeeping forces in Cambodia was shot and seriously wounded on Thursday night during an attack on a Thai military vehicle by a group of unidentified Cambodians, a senior military officer said.

The shooting happened about 8:30 pm after a military pick-up vehicle with three Thai soldiers, which had broken down about seven kms from Sisophon on National Route 5, was attacked by identified [as published] Cambodian forces, Supreme Command spokesman Lt Gen Anuson Kritsanaserani said yesterday.

One of the rifle blasts hit Sgt Anan Songsuwan, 27, who was sitting in the back seat of the vehicle, in his right hip and pierced his bladder, he said. The sergeant was sent to Aranyaprathet hospital in Thailand for medical treatment and his condition had already improved.

Anan is serving with one of two engineering battalions sent to Cambodia to clear land mines and improve the highway, the spokesman said. Usually the soldiers strictly observed rules and regulations, including that forbidding them to leave their camps after 6 pm.

But Lt Gen Anuson said it was an unavoidable incident as the pick-up had broken down en route to the camp. The three soldiers were returning from Poipet where they had collected spare parts for vehicles. The shooting happened while they were trying to repair the engine.

Anuson said the incident would not halt the Thai mission in Cambodia. He said another Thai soldier was hurt on May 27 by exploding shrapnel when he was clearing a field of mines near the border.

UN Group: Site-2 Repatriation To Resume 11 Jul

BK0807012592 Bangkok BANGKOK POST in English 8 Jul 92 p 8

[Text] Preparations are under way for the repatriation of Cambodians to resume from Site 2 after a three-week disruption by an outbreak of cholera inside the camp, the United Nations High Commission for Refugees (UNHCR) reported.

The movement from Site 2 will resume this Saturday.

The disruption there was compensated by movements from two other camps of Site B and Site 8 and, as of yesterday, the cumulative total of Cambodians to have been sent home from Thailand since the operation began on March 30 amounted to 45,103.

Movements from five border camps yesterday took 679 Cambodians to the reception centre at Siem Reap.

The Cambodian peace agreement signed in Paris last October put the UNHCR in charge of repatriating soem 375,000 Cambodians in time for general elections in April or May next year.

Diplomatic Ties Established With Four Republics

BK0707053692 Bangkok Radio Thailand Network in English 0000 GMT 7 Jul 92

[Excerpt] The Royal Thai Government today announced the establishment of diplomatic relations with the Republic Turkmenistan, the Republic of Kazakhstan, the Republic of Armenia, and the Republic of Azerbaijan. Diplomatic rlations with the Republic of Turkmenistan and the Republic of Kazakhstan are established as from 6 July 1992 while that with the Republic of Armenia and the Republic of Azerbaijan are established as from 7 July 1992. Diplomatic representatives at ambassadorial level will be exchanged in due course. [passage omitted]

Mediation for U.S.-EC GATT Deadlock Suggested

BK1007014592 Bangkok THE NATION in English 10 Jul 92 p B14

[by Achara Phongwutthitham]

[Text] The Cairns group of 14 farm-producing nations should play the intermediary role in breaking the deadlock between the US and European Community on the issue of farm subsidies so there can be agreement on a new world trade system, Deputy Thai Commerce Minister Pridiyathon Thewakun and yesterday.

Pridiyathon said after meeting Australian Ambassador to Thailand John McCarthy that Thailand and other countries were disappointed by the lack of progress in resolving the issue during this week's G-7 meeting of the world's most powerful nations.

The G-7 summit took place in Germany and ended earlier this week without progress in resolving the issue during this week's G-7 meeting of the world's most powerful nations.

The G-7 summit took place in Germany and ended earlier this weeks without progress on resolving the US-EC deadlock which had barred agreement on the six-year-old Uruguay Round of General Agreement on Tariffs and Trade (GATT). G-7 comprises US, Britain, France, Germany, Japan, Canada, and Italy.

Pridiyathon met the Australian envoy after G-7 had issued a statement saying they expected an agreement before the end of this year. The minister said Cairns could hold discussions with US and EC separately or engage in tripartite consultations to break the deadlock.

Cairns Group consists of Australia, Thailand and 12 other farm producing countries in Asia and Latin America.

"Thailand was disappointed by the fact that G-7 paid more attention to their own interests than those of the world at large. The summit of most powerful nations should try to help improve world trade and find measures that help poorer countries. If they (G-7 leaders) have enough courage, they should at least say that the Dunkel's text is acceptable," he said.

G-7 leaders are understood to have feared losing votes at home so they skipped attempts to help institute fairer trade rules and accord better opportunities to less developed countries, said the minister, who added that G-7 leaders are "more like national than world leaders."

Pridiyathon proposed to the Australian envoy that the Cairns Group should help break the US-EC farm deadlock since the group is the most suitable, given the common interests in agriculture. A delegation should be appointed to carry out negotiations with both sides to enhance the chance of success.

"Cairns Group seems to be the only group that can talk to the US and EC on agriculture. It's time for small countries to do something good for the world community."

Vietnam

SRV, Byelarus Sign Cooperation Agreements

BK1007072792 Hanoi VNA in English 0529 GMT 10 Jul 92

[Text] Hanoi VNA July 10—Vietnam and Belarus signed agreements on investment guarantee and on post and telecommunication cooperation in Minsk on July 8 at the end of Vice-Premier Tran Duc Luong's two-day visit to the republic. Signatories were Mr. Tran Duc Luong and his Belarusian counterpart, Mr. Kostikov.

During his stay, Vice Premier Luong and his party held talks with a Belarussian state delegation led by Vice Premier Kostikov. The two sides informed each other of the socioeconomic situation of each country, exchanged views on possibilities of cooperation between Vietnam and Belarus in the fields of economy, commerce, science, technique, culture, and education. They also reviewed the implementation of the agreement on economic-commercial cooperation between the two countries signed on March 19, 1992, and their protocol on goods exchange for 1992. They noted with satisfaction that following the conclusion of these agreements, their relations had new steps of development. They agreed to create favourable conditions for broadening the economic-commercial relations under the form of joint venture directly between economic organizations and localities of the two countries.

The two sides were of the same view that it is necessary for both countries to conclude soon agreement on double taxation, establishment of airlink, banking cooperation, etc. They also agreed to set up a Vietnamese-Belarussian joint committee on economic-commercial and scientific-technical cooperation, and planned to hold its first session in Hanoi this year. Vice Premier Luong also met with Belarussian Foreign Minister P.K. Kravchenko.

Second Oil Contract Signed With France

BK0907143392 Hanoi VNA in English 1409 GMT 9 Jul 92

[Text] Hanoi VNA July 9—A product-sharing contract on oil prospection at lot 11-1 on Vietnam's continental shelf was signed here this afternoon by Petro Vietnam and the Total oil company of France.

Signatories were Dr. Ho Si Thoang, Petro Vietnam general director, and Mr. B.C. Duval, Total deputy director.

Under the contract, Total shall contribute 100 percent of the capital and take all risks; products shall be shared according to agreed ratios.

Besides, Petro Vietnam is entitled to own shares in the venture.

This is the 2nd contract Petro Vietnam signed with Total and the 20th product-sharing contract on oil prospection it signed with foreign companies since Vietnam's introduction of law on investment in late 1988.

Indian Bank Granted License To Open Office

BK0907143592 Hanoi VNA in English 1415 GMT 9 Jul 92

[Text] Hanoi VNA July 9—The State Bank of India was issued a licence by the Ministry of Commerce and Tourism on July 1, 1991 to setup a resident representative office in Ho Chi Minh City. It becomes the first Indian bank to obtain a licence to set up an office in Vietnam. The State Bank of India is the largest Indian bank with paid up capital of Rs. [rupees] 128.5 billion (U.S.$4.3 billion) as on March 1991. It currently has over 45 overseas branches and offices including those in Tokyo, New York, Moscow and London, in the South East Asian region, the State Bank of India has offices in Hong Kong, the Philippines and Singapore, the bank also has plans to establish a branch office in Vietnam in the future.

Internationalization of Banking Operations Viewed

BK0507083592 Hanoi VNA in English 0624 GMT 5 Jul 92

[Text] Hanoi VNA July 5—A striking point in the renewal of the banking service is the permission for foreign banks to open their branches or set up joint venture banks in Vietnam.

Mr. Do Que Luong, deputy governor of the Vietnam State Bank, said :

"At present there are two joint venture banks, viz. Vid Public Bank (a joint venture with Malaysia) and IVR (a joint venture with Indonesia). In the coming period, other foreign banks will also open their branches. The presence of the joint venture banks and foreign branches in Vietnam will improve the capacity of banking services at a time when Vietnamese banking system is not in a position to meet the growing demands of cooperation with foreign countries".

In recent years, many foreign banks have helped the Vietnamese bank to open courses to train bank personnel and hold seminars to initiate the bank employees in the market economy. Many Vietnamese banking delegations have made study tours of foreign countries, especially in Southeast Asia to improve the level of macro-economic management. The Vietnam State Bank has exchanged professional experiences with many foreign commercial banks. It has also signed loaning contracts with foreign countries to invest in infrastructural projects.

By the end of April 1992, the Vietnamese state had issued permits to 421 foreign investment projects capitalized at USD [U.S. dollar] 3,190 million. In the near future, the State Committee for Cooperation and Investment will make public the list of 600 projects to invite foreign investment, 118 of which in Ho Chi Minh City.

Mr. Do Que Luong said Vietnam badly needs assistance from foreign banks in professional training, especially in the use of modern equipment and techniques. The presence of foreign banks in Vietnam will stimulate the Vietnamese banking system to urgently renovate its mode of activity in line with the market-economy and in the context of ever broader international cooperation.

Vietnam's economic potentials are attracting many foreign banks, especially in the present circumstances when many developed countries have ceased allowing foreign banks to open branches in their countries.

On the other hand, foreign investors, already present in Vietnam, have seen that the presence of foreign banks in this country is very necessary for their production and business activities.

Nevertheless, the financial market in Vietnam at the present time remains under developed. The capacity in financial and banking operations especially in the fields of credit and payment is very limited.

Moreover, the law on bankruptcy and regulations on collateral cover, mortgage and liquidation of assets are yet to be issued. The high rate of inflation has been curbed but the financial-monetary situation remains volatile.

Those are difficulties for the operations of foreign banks in Vietnam.

Together with the presence of foreign banks in Vietnam, the transfer of technology in the banking service is taking place. That will help the Vietnamese banks to gradually integrate itself with the world banking system, first and foremost in the field of international payment and credit.

For its part, the Vietnamese Bank is striving to renew its professional personnel, streamline its apparatus and managerial mechanism to meet the new requirements of the financial-monetary market.

Do Muoi's Party Plenum Speech

Part 1

BK0807103392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Jul 92

[Part 1 of speech by Do Muoi, general secretary of the Communist Party of Vietnam, delivered at the 18-29 June Third Plenum of the party Central Committee in Hanoi entitled: "The Present Situation and Our Tasks"—announcer read]

[Text] Dear comrades:

During the past year, the implementation of the Seventh Communist Party of Vietnam [CPV] Congress Resolution and the party Central Committee Second Plenum's resolution on socioeconomic development has scored new, remarkable progress. The Eighth National Assembly has adopted the 1992 Constitution and set out the objectives and advancing path toward socialism as well as the party leadership role, thereby marking an important further step in the process of building and strengthening the state of the people, for the people, and by the people.

These achievements have testified to our nation's new developmental capabilities, thus affirming its ability to cope with the current situation while striving to advance further. However, along with these achievements and favorable conditions, our nation is still facing numerous difficulties while the world situation continues to change in a swift and complicated fashion.

To cope with the present situation, our party must strive to formulate correct policies, firmly maintain political security, and continue to speed up the renovation undertaking with emphasis given to socioeconomic development, improving the people's daily life, expanding and enhancing the quality of our foreign affairs activities, strengthening national defense and security, renovating the party, enhancing the party leadership, and promoting close ties between the party and people, thereby creating a combined strength of the entire party, Armed Forces, and people so as to triumphantly implement resolution of the Seventh CPV Congress.

Dear comrades, during the past year, our party and state have actively and positively expanded foreign affairs activities while strongly opposing the policy of economic blockade and isolation against Vietnam, thereby contributing to helping the nation maintain its firm foothold for further development. These achievements show that our foreign policy plays a more and more important role because it can combine the strength of the nation with that of the era, the national factor with the international factor, and our tradition with modernity to take the country forward.

In the present situation, we must strive to expand and enhance the quality of our foreign affairs acitivities to contribute to fulfilling the five year 1991-95 general objectives set by the Seventh CPV Congress aimed at overcoming difficulties and ordeals, stabilizing and developing the socioeconomic situation, strengthening political stabilization, opposing negativism and social injustice, and fundamentally extricating our nation from the current crisis.

We must strive to firmly maintain peace, expand friendship and cooperation with other countries, create favorable international conditions for the cause of national construction and defense, while positively contributing to the world public's common struggle for peace, national independence, democracy, and social progress.

Creatively applying the basic principles of Marxism-Leninism and Ho Chi Minh thought, our party, state, and people, have consistently upheld the national independence banner and socialism, ensured the national interests, and firmly combined genuine patriotism with internationalism of the working class.

The most pressing tasks of our nation and the worker class at present is to quickly extricate the country from the current crisis, firmly maintain and develop political stabilization, develop the socioeconomic situation, make the country strong and the people rich, and firmly protect the fatherland's independence and freedom. These tasks are in conformity with the world public's aspiration for national independence and social progress.

We have profoundly realized that the factor determining the success of the renovation undertaking lies in the strength of our entire people, of each of our possession of will power and intelligence, and the nation's potential. We have also realized that in the present era, no country—regardless of its high degree of development—can close its door to the world. For a country with a very low starting point like Vietnam, it is very important for it to strive to gain outside sources of strength [nguoonf luwcj been ngoaif]. We must formulate wise policies and take effective measures to broaden cooperation with foreign countries to optimally exploit the internal potential and advantages.

For this reason, our policy is to broaden, diversify, and multilateralize our relations in all fields—political, economic, cultural, and scientific and technological—with foreign parties, states, mass organizations, and nongovernmental agencies on the principles of repect for each other's independence, sovereignty, territorial integrity, non-interference in each other's internal affairs, equality and mutual benefit, protecting and developing economic development, and preserving and developing the fine traditions and identity of the national culture.

While opening wide our door to attract and welcome investments, technologies, and management experiences from foreign countries and to expand the world market for our products, we must strive to maintain political stability and national security, protect our natural resources and the environment, and minimize the negative aspects arising from the open door policy.

Along with broadening diplomatic relations and taking advantage of all favorable international conditions to successfully carry out the renovation undertaking, we constantly adopt a policy of promoting solidarity with the socialist countries, the communist and international worker movement, the movement for national independence, the Non-Aligned Movement, and all other peaceful and progressive forces worldwide, thus positively contributing to the struggle for a common cause in keeping with our country's concrete conditions and capabilities.

We are for establishing friendly and cooperative relations with all other countries in the region and for creating an environment of peace and stability around our country, thus meeting our people's interests and also the desire of these countries to strengthen regional integration for peace and development. At the same time, we are broadening our relations with the developed capitalist countries, other nations, and international organizations as was already declared by the seventh party congress, namely Vietnam wants to be a friend of all countries in the world community to strive for peace, independence, and development.

The broadening of our external economic relations must aim to serve the economic development strategy, gradually renew the production structure, speed up industrialization, and create conditions for the quick development of our economy. The broadening of our external economic relations also aims to bring into full play the strengths of each region and each key area, as well as to guarantee the political and economic unity of the whole country. The broadening of our external economic relations must be linked with the renewal of our economic management system and with our shift to the market mechanism under state management.

We must bring into full play the strengths of all levels and branches and must encourage and create conditions for all economic sectors to take part in external economic activities in which the state sector plays the key role. It is very important to ensure good management, to fight a lack discipline and disorganization, to establish order according to law and the common standards and practices of the world market.

In organizing the implementation, we must ensure the party's leadership and the state's unified management over all external activities; must closely combine the external activities of the state, party, and people; and must closely link external activities with national defense and security arrangements. An issue of decisive significance is to train and foster a contingent of cadres for diplomatic and external economic relations with a firm political background, a high sense of organization and discipline, and a high moral as well as professional standard in order to meet the demand for broadening and raising the effectiveness of external affairs.

Dear comrades: While attaching primary importance to the task of building the country, our people have always heightened vigilance, consolidated national defense, maintained political stability and public security and order, and defended the fatherland and the revolutionary gains. This need must be realized more profoundly by our entire party, army, and people.

Over the past several years, hostile forces have relentlessly carried out acts of sabotage against our country. However, their dark schemes and maneuvers have all been foiled by our people. This success must be credited to the great efforts and active, effective measures that our entire party, people, and army have taken to ensure national defense and security.

Regarding national defense and security tasks in the years ahead, we must vigorously develop our patriotism, revolutionary traditions, spirit of independence and self-reliance and self-sufficiency, and unanimity of mind and action; heighten vigilance; firmly maintain political stability; promote economic development; look after the people's well-being; firmly build and develop the all-people national defense system and closely link it with the people's security network; improve the quality of the Armed Forces; and satisfactorily carry out the task of defending the fatherland and safeguarding national independence, sovereignty, and territorial integrity.

To this end, we must strive to develop the economy, consolidate the mass movement for national security protection, ameliorate social relations, and create conditions for enhancing national security and defense capabilities. We must regard the task of consolidating national defense and firmly maintaining national security as a key task for the entire people and state to carry out on a permanent basis with the Armed Forces comprising the people's Army and people's public security force serving as the backbone. It is necessary to firmly build the all-people national defense system and closely link it with the people's public security network.

Along with gradually consolidating the all-people national defense system and the people's public security network, measures must be taken to enhance the party's leadership over the armed forces and improve the quality of the army and the public security force so they can stand ready to cope with all circumstances. We must look after the living conditions of cadres and soldiers, satisfactorily implement the rear-army policy, ameliorate the relations between the Army and people, improve everyone's quality and ethics, and make every effort to build the Armed Forces into a truly pure, firm, and powerful military organization.

Part 2

BK0907142992 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Jul 92

[Part 2 of speech by Do Muoi, General Secretary of the Communist Party of Vietnam, delivered at the 18-29 June third plenum of the party Central Committee in Hanoi entitled: "The Present Situation and Our Tasks"; exact date of speech not given—read by announcer]

[Text] Dear comrades: Against the backdrop of the current international and domestic situations and as a result of the requirements arising from the on-going comprehensive and intensive renovation undertaking, party-building has emerged as one of our most important tasks.

Our party, with its firmly-built political acumen, has been forged in the long revolutionary struggle, has adopted a correct line, has creatively applied Marxism-Leninism and Ho Chi Minh's thought, and has always associated itself with the people. The majority of our party cadres and members have possessed a fine revolutionary integrity. Thanks to this, the party has led the people to overcome paramount difficulties and ordeals in bringing our national revolution into constant play.

We should, however, scrupulously admit the weaknesses of the party. A segment of party cadres and members lack firmness in their political stance. Others, who are fewer in number, have developed erratic, political tendencies. A not inconsiderably portion of party cadres and members have shown a waning revolutionary determination and quality. In particular, they have been guilty of the bad practice of corruption. A number of them, due to their slow understanding and conservatism, have not resolved to commit themselves to renovation.

Cadre work continues to be sluggish and has been left to drag on. In particular, we have not been able to take the initiative in building a contingent of leadership cadres capable of ensuring continuity and succession. Many grass-roots party organizations are still weak. The principles of democratic centralism have, in various areas, been violated.

The renovation of the party's leadership method and the cementing of the relations between the party and the state and between the party and other organizations in the political system have given rise to many problems that need to be solved. At the same time, more new problems have arisen in the process of switching to the market system. Things such as ideological perception and stance, ethics, quality, the standards for party cadres and members, and the functions of the party and its mode of leadership over various types of organization, etc., are posing numerous problems which have to be properly examined and dealt with by those in charge of party building.

Meanwhile, leadership over party building from the central down to the party committees at various levels has not been given adequate attention. We have not attached great importance to the drawing of lessons on party building and have been slow in clarifying various issues both in theory and practice in party building in the new stage, especially since the switching of the economic management system to democratize the social life.

Now it is time for us to realize profoundly and properly the position of party building in the entire activities of the party. First, our party's steadfastness stems from its correct political line. In compliance with this line, we have achieved tangible results in the renovation undertaking over the past few years and these have contributed to stabilizing the thinking of the party and the people, further consolidating the people's confidence in the party leadership, and dispelling part of those erroneous political and ideological tendencies.

In the entire renovation undertaking, economic renovation is the most difficult and complex area. We advocate developing the multisectoral commodity-based economy and adopting the state-controlled market system. These things, which are compatible with the law of social evolution, are very necessary for unleashing the production force, exploiting all latent potential, and increasing output, quality, and results.

Along with caring for economic development, we should pay attention to solving social problems, ensuring social justice, encouraging the people to enrich themselves through legal means in conjunction with efforts to do away with hunger and poverty, and improve the intellectual level of the people and their health.

We should renovate and rectify the party so as to ensure an increased party leadership role in all areas of work. We should promote the people's right to mastery in all respects, build and perfect the state which is from the people, for the people, and by the people; improve the socioeconomic managment efficiency of the state to create the groundwork for the exploitation of the positive aspects while limiting the negative aspects of the market economy in order to steadily bring the renovation undertaking forward.

Our main ideological task at present is to profoundly imbue all party cadres and members with thee renovative concepts and line as reflected in the political platform and the strategy for socioeconomic development as well as in various party Central Commitee's plenum resolutions. We should, on the one hand, continue to struggle against the ills of dogmatism and conservatism and the discrimination against the commodity-based economy and the market system while, on the other hand, struggling to oppose the tendency to withdraw from the socialist course of action.

Documents of the seventh party congress have outlined the main features of the socialist objective and the road leading to this objective. Yet, there are still many problems in both theory and practice to be further clarified. Right from now, we should go ahead with conducting theoretical studies and drawing on lessons from practice so we can substantiate the theses outlined in our political platform at our next national congress of party delegates and further develop these activities at our eighth party congress.

The party should be steadfast politically and ideologically as well as strong organizationally. It should integrate its ideological and moral strengths with its organizational strength.

Democratic centralism should always be the party's fundamental organizational principle for guiding all organizational relations of the party and its daily life. This principle can ensure increased development of the positivity and dynamism of each individual, each establishment, and each locality while binding the entire party into a unified bloc of mind and actions.

In view of the complex situation and the important tasks at present, enhancing democratic centralism and consolidating the unity and cohesiveness within the party is a task of foremost importance.

In the past, apart from the ills of bureaucracy and arbitrariness, and the lack of democracy, those indications such as disorganization, indiscipline, liberal speaking, and acts violating the party statute and flouting the state law have been found in many party organizations and party cadres and members. In the initial stage of renovation where our structural policies have still been fraught with deficiencies and are not yet perfect and harmonious, our duty is to discover these deficiencies and to make recommendations for their correction, supplementation, and gradual perfection. We should necessarily refrain from exploiting these deficiencies and negligences or citing dynamism and creativity as a pretext to commit irregularities, to serve personal gains or parochial interests, and to breach the state law and the party discipline.

We should establish public order and security in all aspects of social life, especially from within the party. This is because only when the party effectively maintains its internal order and discipline can it help restore order and discipline in the outside society. Putting the principle of democratic centralism into practice requires a close combination of efforts to strengthen discipline and efforts to broaden internal democracy and to correctly deal with the relations between individuals and the collective, between lower and higher echelons, and between localities and the central authority with the collective interests being put above personal interests and with parochial interests being secondary to the overall interests.

In this principle, the relationship of collective leadership and individual responsibility is an important issue, the aim of which is to avoid mistakes caused by individuals due to subjectivism when it comes to decisionmaking while overcoming the state of irresponsibility and reliance on the collective in work implementation. We should resolutely overcome the state of rightism and the relaxation of the struggle to maintain various organizational principles.

All disorganized and undisicplined activities, all acts flouting directives and resolutions of the party and causing division and nepotism to weaken the bloc of ideological unity and cohesiveness of the party will be subjected to severe disciplinary actions.

In party-building, the question of cadres is very important and is a key task. We should uniformly train a contingent of cadres for various sectors, echelons, and areas of work. They should be fully qualified and competent as required of them by their current important and complex tasks. In particular, we should satisfactorily discover, select, train, and build a contingent of leadership cadres, especially key party-state cadres at the central authority and other levels, not only for the time to come, for the forthcoming eighth party congress, but also for the next decades.

Some stringent requirements have been set for leadership cadres as follows: They must have a firm political stance so that they will not vacillate when facing difficulties and challenges but will remain unquestionably loyal to the fatherland, people, and socialist ideals. They must be imbued with Marxism-Leninism and Ho Chi Minh thought. At the same time, they must be knowledgeable, competent, resourceful, and sensitive to new developments. They must also know how to correctly apply general principles to the concrete conditions of the Vietnamese Revolution, as well as how to combine theoretical firmness with wisdom and flexibility in actual work implementation. Leadership cadres must display revolutionary ethics, industry, thrift, honesty, righteousness, and impartiality. They must go out of their way to serve the people, apply democratic principles to the handling of public affairs, respect the collective, display honesty and straightfordness, have a high sense of organization and discipline, be firm and ready to take responsibility for their actions, and know how to rally and unite people.

It is necessary to devise a mechanism for discovering, selecting, training, fostering, and managing cadres, first of all leadership cadres, thus guaranteeing conditions for forming a contingent of knowledgeable, talented leadership cadres to meet both short- and long-term demands, as well as for preventing opportunistic elements from worming their way into leadership organs. That mechanism must secure conditions for the collective to evaluate cadres and discover and select outstanding individuals emerging from the mass movement and other actual activities in all fields, bearing in mind the need to observe a democratic principle under which the judgement of the people and the vast majority of cadres and party members must serve as the criteria for evaluation, selection, and appointment of cadres, especially leadership cadres.

At present, there is a considerable number of retired cadres. We should encourage those comrades to continue making contributions to the revolutionary cause, provide them with information so they can keep themselves abreast of new developments, and assign tasks based on their capabilities and health conditions. At the same, measures must be taken to look after their living conditions.

It is necessary to attach importance to the training and improvement of the quality and revolutionary ethics of all cadres and party members. Steps must be taken to help everyone overcome the evils of bureaucratism, despotism, patriarchialism, egoism, corruption, departmentalism, and regionalism. Given the fact that ours is a ruling party and coupled with the negative aspects of the market mechanism as well as with our lack of effective problem-solving methods, corruption continues to prevail and cause pain and indignation in all aspects of social life. It is imperative for our party to resolutely guide everyone in the struggle to eliminate that evil at all cost.

However, it is important to realize that the vast majority of cadres and party members are good, firmly maintain their fine quality, and lead a simple and healthy life. The anticorruption struggle is a necessity. Nonetheless, one must remain vigilant in the face of the dark schemes aimed at taking advantage of that struggle to smear our party and regime, as well as to instigate the masses.

For the anticorruption struggle to yield results, we must on the one hand strengthen state management, intensify control and inspection work to be carried out by the various agencies concerned and the people, step up ideological and organizational work, and take appropriate actions based on party discipline and state law. On the other hand, we must gradually perfect our mechanism, policy, and law aimed at stopping vulnerable loopholes. The experimental shareholding system that the party Central Committee second plenum has decided to initiate among state enteprises could be an effective anticorruption measure.

Along that direction, the shareholding system with the state holding an overwhelming part will further substantitate the right to mastery of state enterprises. From this, the property management of these enterprises will be closer and will create conditions for eradicating corruption right from its root. Introducing the shareholding system in state enterprises will implement Lenin's new economic policy under the current circumstances. It is hoped that through anticorruption measures, the central authority will pay more attention to this issue.

We must concern ourselves with building grass-roots party organizations, clearly define the leadership role and functions of grass-roots party committees, improve the militancy of grass-roots party organizations, overcome the state of passivism and procastination as is the case with many grass-roots party organizations at present.

The grass-roots level is the echelon at which the party and state policies and lines are deployed. Therefore, grass-roots party organizations and all party cadres and members should firmly grasp and correctly implement the party policies and lines, the state law, and other directives and resolutions of higher echelons in a positive, dynamic, and creative fashion through the use of those forms, measures, steps, work methods which are compatible with the specific conditions of each grass-roots organization. At the same time, through practical, diverse activities at the grass roots, they should accumulate experiences to contribute to supplementing and developping the party policies and lines.

In their activities, grass-roots party organizations should heed the interests of the people in the relevant localities or units. At the same time, they should place the interests of the entire country above all without resorting to parochialism and localism.

To make it possible for grass-roots party organizations to assume their heavy duties and functions, higher party committee echelons should pay much attention to the infrastructure, especially those party organizations which are weak and which are situated in sensentive areas.

We should concern ourselves with consolidating grass-roots party organizations and should combine this with efforts to consolidate administrative and mass organizations and economic management organizations.

We should take practical steps to improve the quality of party members up to the level required of them by their tasks. At the same time, we should have a new look at the quality of party members in conformity with the current situation and tasks.

The renovation undertaking requires party members to have a high revolutionary enthusiasm and an endurable determination to overcome all difficulties in satisfactorily fulfilling their duties.

The party should urge its members to work deligently, creatively, and exemplarily in production and business, to effectively comply with the law, and to guide and persuade the masses to follow their examples in a way beneficial to both the country and the people.

Improving the quality of party members should be carried out harmoniously in all areas. For instance, we should educate party members in political theory, in the party policies and lines, in the state law, in socioeconomic management, and in professonal knowledge; train party members through practical activities; go ahead with purging the contingents of party members by removing those who are no longer qualified as members from the party; concern oneself with party development; consolidate the Ho Chi Minh Communist Youth Union and renovate the substance of its modus operandi in giving training to youths to create a source of replacements for the party.

Last Part

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[Last part of speech by Do Muoi, general secretary of the Communist Party of Vietnam, delivered at the 18-29 June third plenum of the party Central Committee in Hanoi entitled: "The Present Situation and our Tasks"; exact date of speech not given—read by announcer]

[Text] Strengthening the close link between the party and people is a matter of great significance. Thanks to the administration, favorable conditions can be created for the party to expand and strengthen its relations with the people through activities in all aspects of social life, as well as through the state machinery and many different organizations in the political systems.

However, beside these favorable conditions, a great danger has emerged whereby our ruling party has bureaucratized itself by advancing policies that are not in conformity with natural laws and the will of the people by employing work methods that alienate it from the people and by allowing a number of its cadres to adopt a depraved lifestyle.

Our entire party must struggle to eliminate that danger, preserve and illustrate its fine traditions, and consolidate and strengthen its close relations with the people.

It is necessary for party and state to devote themselves to modifying all the economic and social policies while considering the need to serve the interests of the people and make the people prosperous and the country powerful as their loftiest aim. It is also necessary for them to correctly combine economic policies with social policies and economic development with the improvement of the people's livelihood, while accelerating production along with ensuring equitable distribution and eliminating social injustice.

In the immediate future, efforts must be made to solve problems concerning employment, wages, and the living conditions of the laboring people; to care for and improve the material and cultural life of our compatriots of various ethnic minority groups; and to pay attention to the livelihood of retirees, war invalids, families of fallen soldiers, and those having rendered services to the revolution and country, as well as elderly, crippled, and helpless people and homeless children.

It is necessary to combine moral motive with material benefit to accelerate the mass movement for the implementation of all economic and social policies and political tasks.

Along with the process of economic renovation, we must investigate, study, and scientifically analyze new changes in the social class structure so that suitable policies can be defined.

It is necessary for all party and administrative organizations to foster democracy and establish and promote the right to actual mastery of the people in all domains. That right to mastery must be institutionalized into law and policy. Meanwhile, efforts should be made to ensure that everybody improves his knowledge of law and knows how to abide by the law.

We must ensure that democracy is fully instilled among the people while struggling against bad elements who take advantage of democracy to inflict damage on our common interests.

The motto that the people are entitled to know, to discuss, to do, and to supervise must be transformed into specific regulations, especially in production and distribution at the grass-roots level. We must arrange for the people to hold discussions on or make suggestions to the formulation of laws and policies that concern broad sections of the people, as well as to contribute their views to criticizing certain state organs and personnel for their ethics and work style.

It is necessary to expand contacts and dialogue between leading cadres and representatives of state organs and the people. We must see to it that all complaints or suggestions of the people must be quickly considered, settled, and answered by the responsible organs.

Efforts should be made to revamp all state organs and deal strictly and justly with cadres and personnel who take advantage of their positions and powers to adopt such practices as embezzlement, corruption, officialism, haughtiness, and oppression of the people. We must make a study at an early date to set up economic and administrative tribunals and enforce civil laws.

All party members must be assigned to carry out mass mobilization work. Party chapters and party members must be subject to inspection and supervision by the people. Meanwhile, rational systems must be established for the people to consider and evaluate party members, bestow commendation on good party members, and recommend disciplinary action against disqualified party members, as well as to contribute their views on the recruitment of new party members.

It is necessary to continue renovating the substance and operational methods of all mass organizations and pay attention to the proper interests of the people along with carrying out propaganda and educational work among the people to encourage them to engage in political activities.

Social organizations should be broadened under many diversified forms to gather a broad section of the masses according to their professional needs and interests.

Renovating the party's leadership method is an urgent task to improve the quality and efficiency of the party, strengthen the responsibility and efficiency of the state administration, and heighten the role of mass organizations to develop the combined strength of the political system. The party leadership must generally and completely cover all activities of government organizations, political and social organizations, and economic enterprises. At the same time, the role of the state administration must be developed in all domains.

The substance of the party leadership, first of all, is the outlining of a strategic platform, orientations, and policies for activities of the government and other organizations in the political system. In practice, anything of important meanings and effects in politics and other fields must require the leadership of the party.

Renovating the leadership method requires the setting up of cadre affairs sections and the improvement of the party committees and youth unions in government offices and political and social organizations. The party committees must exert its leadership through the youth unions and cadre affairs sections. The youth unions and cadre affairs sections are responsible to the party committees on the implementation of the party's policy and resolutions in their organizations. They must use persuasion and mobilization to translate the party committees' policies into actions in a self-concious way. They must periodically report, seek instructions from the party committees, and collectively be accountable to the party committees on their assigned work.

Of course, the relation between the party, youth unions, and cadre affairs sections and the heads of an organization must be clearly defined. The responsibility and authority of the heads must be respected and developed in the management and administration work.

In the implementation process, the party committees in the state office and organization need to strengthen their leadership role, implementing the ideology work, mobilizing the exemplary party members in leading the public, and through the inspection and cadre work, imposing positive effects in the performance of the state organizations.

The party must step up the inspection of the regularization and the implementation of party resolutions in state organizations, guaranteeing that the party's lines and policies are understood correctly and quickly discover and correct mistakes. And through the inspection, the party resolutions will be assessed whether they are suitable to the practical life or not so they can be adjusted and perfected.

The party must lead and administer the cadre work, guaranteeing that the policies on cadres are correctly and unitedly implemented in the state and other organizations in the political system. It must correctly select and deploy cadres with appropriately planning for training and refresher training in these organizations. It must introduce outstanding qualified people, members and nonmembers to the National Assembly, people's committees, and other organizations so that they can be democratically elected to these organizations. Regarding appointed positions, the party committee must control the leading posts and, at the same time, develop the responsibility of the organizations which directly employ and supervise those cadres.

The party leadership method must suit the position and function of every level and sector, taking into account the different characteristics of each work and organization. We have to continue to draw experiences from reality to construct concrete regulations for every party organization in each level and sector.

Dear comrades: The party Central Committee's third plenum must solve many important, basic, and urgent issues arising from the development process and current situation. These important issues are closely linked with socioeconomic tasks that were decided by the party Central Committee's second plenum. All these must be implemented uniformly, with the economic task as the nucleus and the party building task playing a key role.

All party, people, and Army are unanimously in agreement to strengthen unity, uphold the will of self-reliance, strive to successfully implement the resolution of the seventh national party congress and the resolutions of the second and third plenums of the party Central Committee, and accelerate the renovation undertaking, tiding the country over all difficulties and obstacles in its development.

Vo Van Kiet, Others Meet Voters in HCM City

BK1007090192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Jul 92

[Station correspondent Dinh Khai's report on meetings in Ho Chi Minh City between voters and Vo Van Kiet, chairman of the Council of Ministers, and other candidates running as deputies to the ninth National Assembly—portions recorded]

[Summary] "Dear friends: On 7, 8, and 9 July, the Vietnam Fatherland Front [VFF] committees in the Fifth and 10th Precincts of Ho Chi Minh City organized many meetings between voters in the fourth electoral unit and candidates running as deputies to the ninth National Assembly. There are four candidates in this electoral unit. They include Comrade Vo Van Kiet, member of the party Central Committee Political Bureau and chairman of the Council of Ministers; Mrs. Ly Kim Mai of the Hoa ethnic group, chairwoman of the Fifth Precinct Women Union; Mr. Chu Pham Ngoc Son, president of the Ho Chi Minh City Scientists and Specialists' Association; and Mrs. Ngo Ba Thanh, chairwoman of the Eighth National Assembly Judiciary Committee.

"Speaking at these meetings, the candidates took turns introducing the programs of actions they would carry out if elected as deputies to the Ninth National Assembly. In presenting his views to voters, Comrade Vo Van Kiet expressed his joy at meeting again compatriots and comrades in the fifth and 10th precincts of Ho Chi Minh City, where he had spent many months and years sharing very important tasks aimed at overcoming difficulties in building and developing the city named after Uncle Ho following the liberation day."

Next, he briefed voters on the implementation of the state plan for the first half of 1992 and stressed the need to promptly resolve many key areas such as the perfection of legal documents, the institutionalization of the various standpoints and resolutions adopted by the National Assembly, the broadening of the democratization process, anti-corruption measures, the purification of the state management mechanism, socioeconomic development, consolidation of national defense and security, implementation of social welfare programs, and improvement of the material and spiritual life of the people and members of the Armed Forces. He said:

[Begin Vo Van Kiet recording] "If elected to the National Assembly, I will continue to do all I can to serve the party-initiated renovation undertaking aimed at making the people rich and the country powerful. This constitutes the ideal, the aspiration, and the source of strength which have motivated me to fulfill various duties over the past several decades." [end recording]

"Based on their actual work performance, the other candidates namely Ly Kim Mai, Chu Pham Ngoc Son, and Ngo Ba Thanh presented different programs of actions, which, in their words, could positively contribute to the party-initiated renovation undertaking aimed at making the people rich and the country powerful.

"Dozens of voters came forward to express their views and aspirations amid a jubilant atmosphere in the meeting. Most of their views had been meticulously prepared. Many of their suggestions represented the common aspirations of an entire primary party organization or city block."

"Along with touching on the national situation and recognizing the achievements in all fields since the implementation of the party-initiated renovation undertaking, voters raised many socioeconomic issues that the nation still has to address. They focussed on the need to work out measures to solve urgent problems that the nation is facing like corruption, negativism, law formulation and enforcement, adjustment of the wage system, unemployment, and improvement of the education and public healthcare services."

"On behalf of the candidates running as National Assembly deputies in the fourth electoral unit in Ho Chi Minh City, Comrade Vo Van Kiet expressed his views, appreciating voters' sentiments, taking into account their concern, and promising to seek ways to make their earnest aspirations come true. If elected, each candidate will try his or her best to prove himself or herself worthy of being a people's deputy."

Trade Surplus Posted; Oil Exports Rise

BK0507103492 Hong Kong AFP in English 0752 GMT 5 Jul 92

[Text] Hanoi, July 5 (AFP)—Vietnam posted a 155 million dollar trade surplus in the first half of the year as exports rose 27 percent to a record 1.025 billion dollars, a semi-official newspaper reported Sunday.

Crude oil exports led the way, surging 46 percent compared to the first six months of 1991 to hit 2.5 million tonnes, the weekly VIETNAM INVESTMENT REVIEW said, without giving the total value of oil exports.

Other major exporter earners were rice (700,000 tonnes), coal (750,000 tonnes), sea products, rubber, tin, coffee and tea, said the REVIEW, published by the State Committee for Cooperation and Investment (SCCI).

The rice exports, compared with 1.1 million tonnes for all of 1991, should help Vietnam retain its place as the world's third largest rice exporter behind the United States and Thailand, a position it assumed in 1989 after the government de-collectivized agriculture.

Imports totalled 870 million dollars. They included 1.5 million tonnes of oil—Vietnam does not have its own refineries—as well as 265,000 tonnes of fertilizer and 121,000 tonnes of iron and steel.

Vietnam's biggest trading partner during the six-month period was Japan, followed by Singapore, Hong Kong, South Korea, Taiwan, France and Germany.

Hanoi has mounted a major diplomatic and economic campaign to diversify its international ties since the start of 1991, when concessionary trade from the Soviet Union evaporated.

In a related development, the REVIEW reported that Taiwan widened its lead as the leading foreign investor in Vietnam during the first half of 1992, while the Netherlands leaped from seventh to third on the list.

The SCCI has approved 57 projects with a total licensed investment of 755.4 million dollars for Taiwan nationals, despite the absence of diplomatic relations between Taipei and Hanoi. The approved total was 602.8 million dollars at the end of 1991.

Hong Kong stayed in second place with 84 projects worth 460.5 million dollars approved, while the Netherlands—presumably riding on oil exploration contracts signed by Royal Dutch Shell—rose to third with five projects worth 258.5 million dollars approved, the REVIEW said. The others in the top 10 were: 4. Britain (nine projects worth 189.8 million dollars), 5. Australia (17 worth 170.7 million), 6. Confederation of Independent States (36 worth 168.6 million), 7. France (24 worth 167 million), 8. Japan (24 worth 159.4 million), 9. South Korea (13 worth 125.5 million), and 10. Canada (nine worth 95.8 million). The total value of projects approved since a foreign investment law was passed in 1988 grew to 2.97 billion dollars, of which the biggest single sector was services, attracting 757 million, followed by oil exploration, with 771 million.

Central Vietnam Electricity Supply Increased

BK0707070792 Hanoi VNA in English 0601 GMT 7 Jul 92

[Text] Hanoi VNA July 7—Electricity supply in central Vietnam has been considerably improved since 1988 with an average output increase of 13 percent each year. Per capita consumption of electricity in the region has risen from 43 to 68/kwh/year. Seventy-one of 112 districts and towns there have been electrified.

The power sources in the region come from a diesel operated generator unit of 73 mw, the 12 mw-hydroelectric power plant at Drey H'ling in the central highlands province of Darlac, the 5.4 mw An Diem hydropower station in the Province of Quang Nam-Danang, and 60 mw supply from the Hoa Binh hydroelectric power plant on the Da River in northern Vietnam. All in all, the capacity of electricity supplies has risen from 80 mw in 1988 to 155 mw this year, and power transmission lines have been extended from 2,461 km to 3,800 km.

In the years to come, central Vietnam will be supplied with electricity by two main lines: a 500 kv line running along the Truong Son mountain range with two transformer stations in Danang City and Pleiku (Gialai Province) and a 110 kv line along the coast.

A hydroelectric power station will be built at Ya Ly in Gialai with a capacity of 700 mw and an annual output of 3.5 billion kwh. It is scheduled for completion at about the same time as the Trans-Viet high-voltage power line. Another hydroelectric power plant with a capacity of 66mw will be constructed at Vinh Son in Binh Dinh Province. Its first generator unit is expected to be put into operation in early 1994. A plan is also afoot to build a 66kw hydropower station on the Hing River in Phu Yen Province. Construction is expected to start this year.

The electricity services of central Vietnam is preparing to take over a 20mw-diesel operated generator unit in Nha Trang town of Phu Yen Province to replenish power supply in the 1993-94 dry season.

But until then, the authorities hope that all consumers in central Vietnam will economise on the use of electricity and contribute to the power development plant in the region.

Ho Chi Minh City Industrial Output Reported

BK0807042792 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 27 Jun 92

[Text] The Ho Chi Minh City industrial output reached 50.1 percent of the yearly plan in the first six months of this year, which is an increase of 21.9 percent to the same time last year.

State enterprises have performed better than last year, including Dien Co, Co Khi Nong Nghiep, Sinco Sewing Machine, Plastics, Cosmetics, Thong Nhat Agricultural Machine, Bach Tuyet Cotton, Chemical Colors, Stationery, and Bach Tuyet Paint. Many enterprises have stabilized prices, expanded markets, installed new equipment, improved production and quality, and produced new goods to compete with foreign products.

Many joint venture with foreign countries have begun operations, producing more goods for the national market and for export.

New Book on Renovation, Foreign Investment

BK0907065592 Hanoi VNA in English 0543 GMT 9 Jul 92

[Text] Hanoi VNA July 9—A new book entitled "Vietnam the New Investment Frontier in Southeast Asia" co-authored by Dr. Nguyen Xuan Oanh and Dr. Philip Donald Grub has come out in Ho Chi Minh City.

The book published under the auspices of the Indonesia-Vietnam joint venture bank, Indovina, introduces the process of renovation in Vietnam and its latest data, and analyses various and policies relevant to international cooperation and investment. [sentence as received]

Population Control Measures Taken in Rural Areas

BK0407130792 Hanoi Voice of Vietnam in English 1000 GMT 3 Jul 92

[Text] The Vietnam Farmers Association has been going ahead with the question of population and family planning in the rural areas with assistance from the United Nations Fund for Population Activities.

In 1991, the chapters of the Farmers Association in 31 provinces and localities of Vietnam were engaged in the dissemination of information on population and family planning for their members. Many provinces, including the Red River delta provinces of Ha Nam Ninh and Hai Hung, the central provinces of Thanh Hoa and Nghe An, and the Mekong River delta province of Dong Thap coordinated with the National Committee for Population and Family Planning to organize courses training members and officers from pilot villages in fundamental elements for family planning.

In many rural areas, the campaign for family planning has been carried out in various forms by associating the subject with other activities such as competition in production. All of which is organized under the theme of "Women Engaged in Building a New Lifestyle." Some chapters of the Farmers Association have set up funds for population control activities.

At a recent seminar conference on population and family planning held in Haiphong, the Farmers Association worked out concrete measures for 1992 and for the implementation of a four-year project aimed at improving the operational network, setting up a staff of promoters at the local level, training 4,000 population and family planning officers, and making these tasks permanent ones for the Farmers Association at different levels.

Military Region Builds Coastal Defense Forces

BK0907135392 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 24 Jun 92

[Essay by program coordinator Thai Thanh Binh]

[Summary] With a 1,077 km-long coastline, the 5th Military Region plays a very important role in various domains—political, socioeconomic, and national defense.

"Over the past few years, the military region command and its various subordinate localities have paid attention to consolidating and building their coastal self-defense militia forces as required by the new situation and tasks."

Fully aware of its new training requirements, right from late 1988, "the military region headquarters and the military commands of various localities have concentrated on conducting surveys and seminars at various levels in order to correctly assess the situation and determine measures to consolidate and build up the coastal self-defense militia forces for various areas throughout the region."

The region-wide self-defense conference held in July 1992 has created favorable conditions for building the local self-defense militia movement.

So far, almost all localities in the military region have completed organizing symposiums and seminars to seek to understand and properly comply with those policies, measures, and orientations already set forth at the region-wide self-defense conference.

"In guiding work implementation, the military region has attached importance to the building of various pilot sites. For instance, each district has set up from one to two pilot villages to experiment with the building of coastal self-defense militia forces from among the three economic components—state-, collectively, and privately run. As for the privately run economic sector, we should gradually organize self-defense forces in areas where conditions permit." On this basis, we should draw on lessons of experience and provide guidance for the multiplication of these activities.

"The coastal self-defense militia forces of the entire military region have increased in number, accounting for 3.7 percent of the total number of sea fishermen, and its training quality has gradually been improved."

Many typical establishments such as Kieu Thanh village of Quang Ngai Province, the Pho Dong cooperative of Khanh Hoa Province, the Binh Nha and Duc Nghia wards of Thuan Hai Province have been drawing on lessons from the implementation of those measures aimed at building the coastal self-defense militia forces.

"In October 1991, the military region headquarters, in coordination with the provincial party committee, the people's committee, and the military command of Khanh Hoa Province, helped the Ministry of National Defense hold a national conference to discuss the building of coastal self-defense militia forces in accordance with the policy on coastal defense in the new situation."

However, "efforts to provide guidance for the building of the coastal self-defense militia forces in various localities throughout the military region have still been limited due to a poor sense of responsibility on the part of various branches, sectors, and mass organizations. A number of localities have not truly concerned themselves with the questions of maintaining coastal security and building the coastal self-defense militia forces." All these have directly affected the quality and the results of the coastal self-defense movement.

By reviewing what has been done in the past, especially the implementation of those policies and measures set forth at the national conference of coastal self-defense militia forces, the military region will certainly be able to draw on lessons necessary for consolidating and building up its coastal self-defense militia forces in the years to come.

Australia

Trade Mission to South Africa Cancelled

BK0907105392 Hong Kong AFP in English 0914 GMT 9 Jul 92

[Text] Sydney, July 9 (AFP)—Australia's first trade mission to South Africa since the easing of sanctions was called off Thursday amid uncertainty over the republic's political and business future. The mission, first announced last April, was to have been represented by diverse interests such as mining, the food industry, the legal profession, manufacturers and others.

But the Australia Southern African Business Council said here the mission's success was dependent on favourable economical and political circumstances.

"The bottom line is there's just too much uncertainty," mission leader Ivan Chait said. "Basically, it was all those mixed reactions coming out from (President F.W.) de Klerk and the African National Congress (ANC) and the possible mass action from August."

The ANC has announced plans for a general strike beginning on August 3, five days before the two-week Australian mission was due to begin. The mission was based upon expectations that a transitional government would begin running the country this month in line with ANC leader Nelson Mandela's target date.

The ANC broke off negotiations with the de Klerk government after last month's Boipatong massacre, where at least 45 people, including children, were killed. The ANC accused the government of waging a terror campaign against blacks.

"As soon as they get something concrete on talks going again, we'll be interested in another mission," Chait said. "It could be done pretty quickly. We remain enthusiastic about trade and investment opportunities between Australia and South Africa in the medium to long term," mission chairman Mike Jones said.

New Zealand

Government Accused of High-Level Corruption

BK1007042692 Hong Kong AFP in English 0326 GMT 10 Jul 92

[By Michael Field]

[Text] Wellington, July 10 (AFP)—New Zealand Prime Minister Jim Bolger is facing a political nightmare as a key pretender to his job within the ruling party grows in popularity with his claims of high-level political corruption. Winston Peters, a former Cabinet minister and now outspoken ruling National Party backbencher, this week soared to the top of an opinion poll as the public's choice as preferred prime minister.

This comes as Peters fights what appeared to be a lone battle, claiming there has been corruption and insider trading in the bailout of the partly state-owned Bank of New Zealand (BNZ).

Bolger and Finance Minister Ruth Richardson denied the claims when they first emerged, and isolated Peters.

But the NEW ZEALAND HERALD reported Friday that a key party committee has secretly urged the government to hold an inquiry—which is what Peters has been calling for.

Peters' success with the issue compounds the government's woes as it attempts to sell its shareholding in the BNZ, the nation's biggest bank.

Peters, 46, has long been tipped to become the country's first Maori prime minister. But he has a habit of slamming his own party, claiming it has walked away from its manifesto.

When the National Party came to power in 1990 Peters was made Minister of Maori Affairs. A year later, following severe criticism by Peters of the economy, Bolger sacked him, consigning him to the backbenches.

Bolger may have been hoping that Peters would quit the party and join two other former rebels in the new Liberal Party. But Peters has stayed and last month launched his assault on the Bolger-Richardson leadership.

This revolves around the BNZ, 58.23 percent owned by the government, 26.81 percent by Capital Markets, a subsidiary of merchant bank Fay Richwhite whose head Sir Michael Fay is a nationally-known figure for his unsuccessful yachting America's Cup challenges. The public hold the balance of shares.

Due to vast non-performing loans, the BNZ was in 1990 rescued by a 620 million New Zealand dollar (331 million U.S.) government bailout.

Peters, speaking in parliament, last month complained there was insider trading involved and Fay had benefitted.

Fay denied the allegations, but Peters, using parliamentary privilege, has continued asking questions about the way Fay and his companies may have benefited from the bailout.

The Securities Commission on June 25 announced it had found no justification for a formal inquiry into the BNZ rescue.

The National Party has begun an inquiry into ways of getting Peters out, but a Television New Zealand poll Thursday showed a record 23 percent of respondents would prefer Peters as prime minister. This is up from 14 percent a month ago. In the same poll Bolger scored only 13 percent.

The HERALD reported that the party's Auckland division policy committee had quietly asked Bolger for a public inquiry.

Committee chairman Barry Gustafson confirmed that 13 members had voted in favour of an inquiry, while only one voted against.

"The feeling of the meeting was that ... the best thing would be to have an inquiry," he told the HERALD, "to restore faith in the commercial and financial integrity of the system."

He said they were not trying to embarrass the government or endorse Peters.

Bolgers refused to comment on the poll Friday, but Peters said the public wanted answers.

"There is growing recognition that there are some key questions to be answered about the bank's affairs," he said. "Pressure is growing daily for those answers to be given. And it will continue to mount."

Vanuatu

Prime Minister—Australia Relations 'Unaffected'

BK1007080392 Hong Kong AFP in English 0551 GMT 10 Jul 92

[Text] Port Vila, July 10 (AFP)—Vanuatu's action to expel the acting Australian High Commissioner here was only a "minor incident," Vanuatu Prime Minister Maxime Carlot said Friday.

Carlot's views on state-run radio here came as he was returning home from the South Pacific Forum meeting in Honiara.

Carlot said that the media had made a major issue of the incident.

Last weekend Vanuatu expelled Australian diplomat James Pearson alleging he had interfered in Vanuatu's internal politics by expressing Australia's concern over new business laws.

In the lead-up to the explusion, the Vanuatu Government had twice accused Australia of interference, after Canberra had expressed concern over the recent vote in parliament of an amendment to the Business Licence Act.

The amendment gives discretionary powers to the Vanuatu finance minister to refuse a new licence or revoke an existing one.

According to Carlot, the decision taken last week by Foreign Minister Serge Vohor to expel Pearson was "honest and straight as an independent nation".

Carlot said the expulsion was an "isolated incident", and he hoped it would "not affect Vanuatu's relations with Australia".

Carlot's comments came after his talks with Australian Prime Minister Paul Keating and discussions between Vohor and Australian Foreign Minister Gareth Evans in Honiara Wednesday.

According to Vanuatu official sources, Carlot indicated in his talks with Keating that Vanuatu had no obligation to respond to their expulsion action, but because of the friendly relations between the two countries, he would further discuss the matter.

"It is up to the Australian government decide on what course of action it wants to take, and Vanuatu, too, is free to take any decision," Carlot said on radio.

Reports from Honiara said that after their meeting, Keating had declared that the two leaders "agreed on the fact that they disagreed."

Carlot and his delegation returned home Friday on board New Zealand Prime Minister Jim Bolger's air force jet.